BOARD OF TRUSTEES

Public Meeting Agenda

HARRISHEALTH SYSTEM

Thursday, July 27, 2023
8:00 A.M.

BOARD ROOM
4800 Fournace Place, Bellaire, TX 77401
The meeting may be viewed online: 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**	**Ewan Johnson, MD, PhD**	**1 min**
II.	**Approval of the Minutes of Previous Meeting** • Board Meeting – June 22, 2023	**Ewan Johnson, MD, PhD**	**1 min**
III.	**Announcements / Special Presentations**	**Ewan Johnson, MD, PhD**	**15 min**
	A. CEO Report Including Special Announcements ***– Dr. Esmaeil Porsa***		*(5 min)*
	B. Board Member Announcements Regarding Board Member Advocacy and Community Engagements • New Member of the Harris Health Board of Trustees • First Friday Tour – July 7, 2023 ***– Ms. Marcia Johnson*** • Discussion Regarding Possible Expansion of Harris Health Services and Programs	**Ewan Johnson, MD, PhD**	*(10 min)*
IV.	**Public Comment**	**Ewan Johnson, MD, PhD**	**3 min**
V.	**Executive Session**	**Ewan Johnson, MD, PhD**	**20 min**
	A. Report Regarding Quality of Medical and Healthcare, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 to Receive Peer Review and/or Medical Committee Report, Including Report of the Medical Executive Board in Connection with the Evaluation of the Quality of Medical and Healthcare Services, Including the Harris Health System Quality, Safety Performance Measures and Zero Harm, and Possible Action Regarding this Matter Upon Return to Open Session ***– Dr. Andrea Caracostis, Dr. Steven Brass, and Dr. Yashwant Chathampally***		*(10 min)*
	B. Medical Executive Board Report and Credentialing Discussion, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 to Receive Peer Review and/or Medical Committee Report, Including Consideration of Approval of Credentialing Changes for Members of the Harris Health System Medical Staff ***– Dr. Martha Mims***		*(10 min)*

C.	Report Regarding Harris Health System Correctional Health Quality of Medical and Healthcare, Including Credentialing Discussion and Operational Updates, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002 and Tex. Gov't Code Ann. §551.071 to Receive Peer Review and/or Medical Committee Report with Possible Action Upon Return to Open Session ***– Dr. Otis Egins***		*(0 min)*
VI.	**Reconvene to Open Meeting**	**Ewan Johnson, MD, PhD**	**1 min**
VII.	**General Action Item(s)**	**Ewan Johnson, MD, PhD**	**4 min**
A.	General Action Item(s) Related to Quality: Medical Staff		
1.	Consideration of Approval of Credentialing Changes for Members of the Harris Health System Medical Staff ***– Dr. Martha Mims***		*(2 min)*
B.	General Action Item(s) Related to Quality: Correctional Health Medical Staff		
1.	Consideration of Approval of Credentialing Changes for Members of the Harris Health System Correctional Health Medical Staff ***– Dr. Otis Egins***		*(2 min)*
VIII.	**New Items for Board Consideration**	**Ewan Johnson, MD, PhD**	**40 min**
A.	Discussion and Appropriate Action Calling an Interim Officer Election for the Current Term (2023) Resulting from the Vacancy in the Office of Board Vice Chair and any other Resulting Vacancies Required by Article V, Section 2 of the Harris Health Board of Trustees Bylaws	**Ewan Johnson, MD, PhD**	*(10 min)*
B.	Consideration of Approval of Appointment of Ms. Marcia Johnson as Chair to the Budget and Finance Committee of the Harris Health System Board of Trustees	**Ewan Johnson, MD, PhD**	*(2 min)*
C.	Consideration of Approval of Appointment of Ms. Marcia Johnson to the Community Health Choice, Inc. and Community Health Choice Texas, Inc., collectively "Community", Board of Directors	**Ewan Johnson, MD, PhD**	*(2 min)*
D.	Consideration of Approval of Appointment of Dr. Cody M. Pyke to the Quality, Diversity Equity and Inclusion, and Governance Committees of the Harris Health System Board of Trustees	**Ewan Johnson, MD, PhD**	*(2 min)*
E.	Consideration of Approval of Appointment of Mr. Jim Robinson to the Budget and Finance Committee of the Harris Health System Board of Trustees	**Ewan Johnson, MD, PhD**	*(2 min)*
F.	Consideration of Approval of Joint Election Services Agreement for the November 7, 2023 Bond Election, in Accordance with Applicable Laws, Including Tex. Health & Safety Code Chapter 281 and Tex. Gov't Code Chapter 1251 ***– Ms. Paige Abernathy, Harris County Attorney's Office and Ms. Elizabeth Winn***		*(5 min)*
G.	Consideration of Approval of Reimbursement Resolution Related to Possible Reimbursement of Certain Expenditures from Future Bond Issuances ***– Ms. Paige Abernathy, Harris County Attorney's Office***		*(5 min)*
H.	Presentation of the Harris County Hospital District 401(k) and Pension Plan Independent Auditor's Reports and Overview for the Fiscal Year Ended December 31, 2022 ***– Mr. Ryan Singleton and Ms. Danielle Zimmerman, FORVIS***		*(10 min)*

1. Consideration of Acceptance of the Harris County Hospital District 401(k) Plan Independent Auditor's Report and Financial Statements for the Years Ended December 31, 2022 and 2021 *(1 min)*
   – Mr. Ryan Singleton and Ms. Danielle Zimmerman, FORVIS

2. Consideration of Acceptance of the Harris County Hospital District Pension Plan Independent Auditor's Report and Financial Statements for the Years Ended December 31, 2022 and 2021 *(1 min)*
   – Mr. Ryan Singleton and Ms. Danielle Zimmerman, FORVIS

IX. Strategic Discussion **Ewan Johnson, MD, PhD** **30 min**

A. Harris Health System Strategic Plan Initiatives

1. Update Regarding LBJ Hospital Expansion Project ***– Ms. Patricia Darnauer, Mr. Patrick Casey, and Mr. Jason Fleming, HKS Inc.*** *(10 min)*
   [Strategic Pillar 5: Infrastructure Optimization**]**

2. Update Regarding Ballot Language for Harris Health's Proposed Bond Election ***– Ms. Paige Abernathy, Harris County Attorney's Office*** *(10 min)*

3. July Board Committee Meeting Reports: *(10 min)*
   [Strategic Pillar 3: One Harris Health System**]**

   - DEI Committee ***– Ms. Marcia Johnson***
   - Governance Committee ***– Dr. Andrea Caracostis***
   - Quality Committee ***– Dr. Andrea Caracostis***

X. Consent Agenda Items **Ewan Johnson, MD, PhD** **5 min**

A. Consent Purchasing Recommendations

1. Consideration of Approval of Purchasing Recommendations (Items A1 through A16) ***– Mr. DeWight Dopslauf and Mr. Jack Adger, Harris County Purchasing Office***

   (See Attached Expenditure Summary: July 27, 2023)

B. Consent Committee Recommendations

1. Consideration of Acceptance of the Ambulatory Surgical Center at LBJ Status Report ***– Mr. Matthew Reeder***
   [Quality Committee]

2. Consideration of Acceptance of the Riverside Dialysis Center Status Report ***– Mr. Matthew Reeder***
   [Quality Committee]

C. Consent Grant Recommendations

1. Consideration of Approval of Grant Recommendations (Items C1 through C3) ***– Dr. Jennifer Small, Mr. Jeffrey Baker, and Dr. Esperanza Galvan***

   (See Attached Expenditure Summary: July 27, 2023)

D. New Consent Item for Board Approval

1. Consideration of Acceptance of the Harris Health System May 2023 Financial Report Subject to Audit ***– Ms. Victoria Nikitin***

2. Consideration of Approval of a Settlement Agreement Between Harris Health System and Harris County for Epic Licenses and Related Support Services Rendered in 2022 to the Harris County Public Health Department ***– Ms. Holly Gummert***

3. Consideration of Approval of a First Amendment to the Employment Agreement Between Lisa Wright, Community Health Choice, Inc., Community Health Choice Texas, Inc., and Harris County Hospital District d/b/a Harris Health System ***– Mr. Chris Buley, Community Health Choice and Ms. Katie Rutherford***

4. Consideration of Approval of Revision to the Governance Committee Charter to Include Board of Trustees Officer Nominations Function ***– Dr. Andrea Caracostis***

5. Consideration of Approval to Acquire a 9,321 Sq. Ft. Tract of Land at 1600 Keene St. for the Casa de Amigos Health Center Expansion Project, Houston, Harris County, Texas ***– Mr. Louis Smith and Mr. Patrick Casey***

6. Consideration of Approval to Amend the Lease Agreement Between Harris County Hospital District d/b/a Harris Health System and India House Houston for the Sareen Clinic, Located at 8888 West Bellfort, Houston, Texas 77031 ***– Mr. Louis Smith and Mr. Patrick Casey***

7. Consideration of Approval to Amend the Lease Agreement Between Harris County Hospital District d/b/a Harris Health System and Harris County for the Thomas Street Health Center, Located at 2015 Thomas St., Houston, Texas 77009 ***– Mr. Louis Smith and Mr. Patrick Casey***

8. Consideration of Approval to Amend the Lease Agreement Between Community Health Choice, Inc., Community Health Choice Texas, Inc., and SLS-South Loop, LLC for Office Space at 2636 South Loop, Houston, TX 77054 ***– Mr. Louis Smith and Mr. Patrick Casey***

9. Consideration of Approval of a Fourth Amendment Between Harris Health System and The University of Texas Health Science Center at Houston ("UTHealth") to the Collaboration Agreement for Population Health Projects ***– Dr. Chethan Bachireddy and Dr. Esperanza Galvan***

E. Consent Reports and Updates to Board

1. Updates Regarding Pending State and Federal Legislative and Policy Issues Impacting Harris Health System ***– Mr. R. King Hillier***

2. Harris Health System Council-At-Large June Meeting Minutes ***– Dr. Jennifer Small***

{End of Consent Agenda}

XI. Item(s) Related to the Health Care for the Homeless Program — **Ewan Johnson, MD, PhD** — **10 min**

A. Review and Acceptance of the Following Report(s) for the Health Care for the Homeless Program (HCHP) as Required by the United States Department of Health and Human Services, which Provides Funding to the Harris County Hospital District d/b/a/Harris Health System to Provide Health Services to Persons Experiencing Homelessness under Section 330(h) of the Public Health Service Act ***– Ms. Tracey Burdine and Dr. LaResa Ridge*** *(9 min)*

- HCHP July 2023 Operational Update

B. Consideration of Approval of the HCHP Consumer Advisory Council Report ***– Ms. Tracey Burdine and Dr. LaResa Ridge*** *(1 min)*

XII. Executive Session — **Ewan Johnson, MD, PhD** — **100 min**

D. Review of the Community Health Choice Texas, Inc. and Community Health Choice, Inc. 2023 Financial Performance for the Five Months Ending May 31, 2023, Pursuant to Tex. Gov't Code Ann. §551.085 and Tex. Gov't Code Ann. §551.071 ***– Ms. Lisa Wright, CEO and Ms. Anna Mateja, CFO, Community Health Choice*** *(10 min)*

E. Consultation with Attorney Regarding Bond Election Related Matters, Pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Upon Return to Open Session ***– Ms. Paige Abernathy, Harris County Attorney's Office*** *(10 min)*

F. Consultation with Attorney, Pursuant to Tex. Gov't Code Ann. §551.071 Regarding Settlement of Amounts Owed for Services Rendered by Harris Health System to the Harris County Community Supervision & Corrections Department and Possible Action Upon Return to Open Session ***– Ms. Holly Gummert*** *(5 min)*

G. Consultation with Attorney Regarding Opioid Litigation, Pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Upon Return to Open Session, Including Consideration of Approval to Participate in the Settlement with Walgreens, CVS, and Walmart as it Relates to the Texas Opioid Multi-district Litigation ***– Ms. Ebon Swofford, Mr. Jonathan Fombonne, and Mr. Dan Downey*** *(5 min)*

H. Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Healthcare Program Requirements and a Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Gov't Code §418.183, Tex. Gov't Code §551.089, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002, and Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session ***– Ms. Carolynn Jones*** *(10 min)*

I. Discussion Regarding the Evaluation of Chief Executive Officer (CEO), Pursuant to Tex. Gov't Code Ann. §551.074, and Possible Action Upon Return to Open Session, Including Approval of CEO Evaluation ***– Board of Trustees*** *(60 min)*

XIII. Reconvene — **Ewan Johnson, MD, PhD** — **1 min**

XIV. Adjournment — **Ewan Johnson, MD, PhD** — **1 min**

MINUTES OF THE HARRIS HEALTH SYSTEM BOARD OF TRUSTEES
Board Meeting
Thursday, June 22, 2023
8:00 am

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATION
I. Call to Order and Record of Attendance	The meeting was called to order at 8:00 a.m. by Arthur Bracey, MD, Chair. It was noted that a quorum was present and the attendance was recorded. Dr. Bracey stated while some of Board members are in the room with us today, others will participate by videoconference as permissible by state law and the Harris Health Videoconferencing Policy. The meeting may be viewed online: http://harrishealthtx.swagit.com/live. Dr. Bracey noted that the Board will take Executive Session Item XII.D. related to The University of Texas M.D. Anderson out of order and address it under Executive Section Item V.	**A copy of the attendance is appended to the archived minutes.**
II. Approval of the Minutes of Previous Meeting	• Board Meeting – May 25, 2023	**Motion No. 23.06-81** **Moved by Ms. Alicia Reyes, seconded by Ms. Jennifer Tijerina, and unanimously passed that the Board approve the minutes of the previous meeting. Motion carried.**
III. Announcements/ Special Presentations	**A. CEO Report Including Special Announcements** Dr. Esmaeil Porsa, President and Chief Executive Officer (CEO), shared that the American Heart Association (AHA) recognized Lyndon B. Johnson (LBJ) Hospital for its achievement of the Get With The Guidelines Resuscitation Program. He noted that Ben Taub (BT) Hospital was named one of America's Best Maternity Hospitals 2023 by Newsweek Magazine. Dr. Porsa announced that the grand opening of Quentin Mease Health Center was held on Sunday, June 4, 2023, and was well received by Board members, staff, physicians, community members and elected officials. He stated that Harris Health did well in representing its research and best in class processes oral and poster presentations at the America's Essential Hospital VITAL meeting. Dr. Porsa also shared that on Tuesday, June 20, 2023, Harris County Precinct 2 and Commissioner Adrian Garcia hosted a town hall with the community members at the Leonel Castillo Community Center. Topics discussed at the meeting included Harris Health's eligibility process, Minority Woman-Owned Business Enterprises (MWBE),Diversity, Equity and Inclusion (DEI) efforts and Harris Health's bond proposals. Dr. Porsa stated that in keeping with its efforts of becoming a high reliability organization (HRO), Harris Health has created its first Patient Committee for Safe Quality Care as a subcommittee of the patient safety collaborative. Additionally, Dr. Porsa announced that on Tuesday, June 6, 2023, he presented Harris Health's bond proposal at the Harris County Commissioners Court, and he tentatively expects the approval of the bond proposal during the Court's meeting on August 17, 2023.	**As Presented.**

	B. Board Member Recognition On behalf of the Board of Trustees, Professor Marcia Johnson recognized Dr. Arthur W. Bracey for his five (5) years of service and exemplary leadership as a member of the Harris Health System Board of Trustees, and chairman of the Board since March 2021. Dr. Bracey's chairmanship produced various historic events such as: securing a unanimously Board vote favoring a $2.6B bond issue, the implementation of the Harris Health System 2021 – 2025 Strategic Plan and presiding over the Board's commission of a disparity study resulting in Board policies in support of DEI and a new MWBE program. Dr. Bracey served as a member of several committees including Budget & Finance, Compliance & Audit, Joint Conference, Quality, and CEO Evaluation Committees. He also served on the Ambulatory Surgical Center (ASC) at LBJ Governing Body, Community Health Choice and Harris County Hospital District Boards. To commemorate his leadership, the Board of Trustees presented Dr. Bracey with a special token of appreciation. The Board members and Dr. Porsa expressed their appreciation for Dr. Bracey's dedication and service to the residents of Harris County.	
	C. Board Member Announcements Regarding Board Member Advocacy and Community Engagements. Ms. Carol Paret shared that on June 2, 2023, she, alongside Board member Jim Robinson, Harris Health executive leadership and staff participated in the First Friday Tour. The tour included visits to Harris Health's Central Fill Pharmacy and Monroe Clinic. The next First Friday Tour is scheduled for July 7, 2023, and will spotlight Harris Health's Casa de Amigos Health Center and Sunset Heights Clinic.	**As Presented.**
IV. Public Comment	There were no public speakers registered to appear before the Board.	
V. Executive Session	At 8:18 a.m., Dr. Arthur Bracey stated that the Board would enter into Executive Session for Items 'A through C' as permitted by law under Tex. Gov't Code Ann. §551.071, Tex. Gov't Code Ann. §551.074. Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code. Ann. §160.007 and Tex. Occ. Ann. §151.002. Dr. Bracey mentioned again that Executive Session Item XII. D. related to Collaborative Opportunities with The University of Texas M.D. Anderson Cancer Center will be taken up during this Executive Session.	
	A. Discussion Regarding the Evaluation of Chief Executive Officer, Pursuant to Tex. Gov't Code Ann. §551.074, and Possible Action Regarding this Matter Upon Return to Open Session.	**No Action Taken.**
XII. Executive Session	***Agenda Item Taken Out of Order*** **D.** Consultation with Attorney Regarding Collaborative Opportunities with The University of Texas M.D. Anderson Cancer Center, Pursuant to Tex. Gov't Code Ann. §551.071 and Tex. Gov't Code Ann. §551.085.	**No Action Taken.**

	B. Medical Executive Board Report and Credentialing Discussion, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, and Tex. Occ. Code Ann. §151.002 to Receive Peer Review and/or Medical Committee Report, Including Consideration of Approval of Credentialing Changes for Members of the Harris Health System Medical Staff.	**No Action Taken. Dr. Arthur Bracey recused from participating in discussion and voting regarding cases involving care rendered by Baylor College of Medicine (BCM) and credentialing discussions involving BCM.**
	C. Report Regarding Harris Health System Correctional Health Quality of Medical and Healthcare, Including Credentialing Discussion and Operational Updates, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002 and Tex. Gov't Code Ann. §551.071 to Receive Peer Review and/or Medical Committee Report with Possible Action Upon Return to Open Session.	**No Action Taken.**
VI. Reconvene to Open Meeting	At 10:01 a.m., Dr. Arthur Bracey reconvened the meeting in open session; he noted that a quorum was present and that no action was taken in Executive Session.	
VII. General Action Item(s)	**A.** General Action Item(s) Related to Quality: Medical Staff	
	1. Approval of Credentialing Changes for Members of the Harris Health System Medical Staff Dr. Martha Mims, Chair, Medical Executive Board, presented the credentialing changes for members of the Harris Health System Medical Staff. For June 2023, there were thirty-seven (37) initial appointments, 152 reappointments, seven (7) change/add privileges and four (4) resignations. A copy of the credentialing report is available in the permanent record.	**<u>Motion No. 23.06-82</u>** **Moved by Ms. Jennifer Tijerina, seconded by Mr. Jim Robinson, and majority passed that the Board approve agenda item VII.A.1. Ms. Tijerina opposed. Motion carried. Dr. Arthur Bracey recused on this matter related to BCM Credentialing vote.**
	2. Approval of Harris Health's Medical Staff Changes in Clinical Privileges • Addition of Hysterectomy Privileges to Urology Clinical Privileges Dr. Mims stated that it was recommended by the Credentialing Committee that the urology privileges be amended to include hysterectomy and cases where pelvic reconstruction were required. She also stated that clarifications were made to experience requirements and renewal of privileges. A copy of the clinical privileges is available in the permanent record.	**<u>Motion No. 23.06-83</u>** **Moved by Ms. Jennifer Tijerina, seconded by Ms. Alicia Reyes, and unanimously passed that the Board approve agenda item VII.A.2. Motion carried.**

	B. General Action Item(s) Related to Quality: Correctional Health Medical Staff	
	1. Approval of Credentialing Changes for Members of the Harris Health System Correctional Health Medical Staff Dr. Otis Egins, Chief Medical Officer, Harris Health Correctional Health, presented the credentialing changes for members of the Harris Health System Correctional Health Medical Staff. For June 2023, there were ten (10) initial appointments and thirteen (13) change/add privileges. A copy of the Correctional Health credentialing changes is available in the permanent record.	**Motion No. 23.06-84** **Moved by Ms. Jennifer Tijerina, seconded by Ms. Alicia Reyes, and majority passed that the Board approve agenda item VII.B.1. Ms. Jennifer Tijerina opposed. Motion carried.**
	2. Approval of Revisions to Harris Health's Correctional Health Bylaws • Change APP Definition to Include Optometrist • Change Credentialing Cycle from 2 Years to 3 Years Dr. Egins noted two (2) revisions to Harris Health's Correctional Health Bylaws: adding the optometrist designation to the Advanced Practice Practitioner (APP) definition and a modifying the credentialing cycle from two (2) years to three (3) years. A copy of the Harris Health's Correctional Health Bylaws is available in the permanent record.	**Motion No. 23.06-85** **Moved by Ms. Alicia Reyes, seconded by Ms. Jennifer Tijerina, and unanimously passed that the Board approve agenda item VII.B.2. Motion carried.**
	3. Approval of Harris Health's Correctional Health Medical Staff Changes in Clinical Privileges • Addition of Optometry Clinical Privileges A copy of the Harris Health's Correctional Health Medical Staff clinical privileges is available in the permanent record.	**Motion No. 23.06-86** **Moved by Mr. Jim Robinson, seconded by Ms. Alicia Reyes, and unanimously passed that the Board approve agenda item VII.B.3. Motion carried.**
XII. Executive Session	At 10:08 a.m., Dr. Arthur Bracey stated that the Board would enter into Executive Session for item "F" as permitted by law under §161.032, Tex. Gov't Code §418.183, Tex. Gov't Code §551.089, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002, and Tex. Gov't Code Ann. §551.071.	
	Agenda Item Taken Out of Order **F.** Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Healthcare Program Requirements and a Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Gov't Code §418.183, Tex. Gov't Code §551.089, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002, and Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.	**No Action Taken.**
XIII. Reconvene	At 10:39 a.m., Dr. Arthur Bracey reconvened the meeting in open session; he noted that a quorum was present and that no action was taken in Executive Session.	

VIII. New Items for Board Consideration	**A.** Approval for an Interlocal Agreement between the Harris County Hospital District d/b/a Harris Health System and Health & Human Service Commission (HHSC), on the Behalf of Patient Access Management, in an Amount Not to Exceed $300,000 for Designated Onsite Eligibility Advisors Ms. Victoria Nikitin, Executive Vice President, Chief Financial Officer, stated that items 'A through E" are routine annual Board approvals. A copy of the Interlocal Agreement is available in the permanent record.	**Motion No. 23.06-87** **Moved by Ms. Jennifer Tijerina, seconded by Dr. Ewan D. Johnson, and unanimously passed that the Board approve agenda item VIII.A. Motion carried.**
	B. Approval of a Resolution Setting the Rate of Mandatory Payment for the Harris County Hospital District Local Provider Participation Fund Dr. Bracey motioned for approval of a resolution setting the rate of mandatory payment to 6.00 percent of the net patient revenue of an institutional health care provider located in the District for the period of July 1, 2023 through June 30, 2024. A copy of the resolution is available in the permanent record.	**Motion No. 23.06-88** **Moved by Ms. Jennifer Tijerina, seconded by Dr. Ewan D. Johnson, and unanimously passed that the Board approve agenda item VIII.B. Motion carried.**
	C. Approval for Additional Funding of $29,000,000 for the Harris County Hospital District Pension Plan for Calendar Year 2023 Ms. Nikitin stated that the funding ratio of the pension plan is approximately 70%. A copy of the annual contribution for the pension plan is available in the permanent record.	**Motion No. 23.06-89** **Moved by Ms. Jennifer Tijerina, seconded by Dr. Ewan D. Johnson, and unanimously passed that the Board approve agenda item VIII.C. Motion carried.**
	D. Approval of Payment for the Contracted Services Specified in the Harris Health Operating and Support Agreement with Baylor College of Medicine (BCM) for the Contract Year Ended June 30, 2024 Ms. Nikitin presented for approval of Payment for Contracted Services as specified in the Harris Health Operating and Support Agreement with Baylor College of Medicine in the Contract Year Ended June 30, 2024 in the amount of $268M.	**Motion No. 23.06-90** **Moved by Ms. Jennifer Tijerina, seconded by Dr. Ewan D. Johnson, and unanimously passed that the Board approve agenda item VIII.D. Motion carried. Dr. Arthur Bracey recused on this matter related to BCM.**

	E. Approval of Payment for the Contracted Services Specified in the Harris Health Affiliation and Support Agreement with the University of Texas Health Science Center at Houston (UT Health) for the Contract Year Ended June 30, 2024 Dr. Bracey motioned for approval of Payment for the Contracted Services Specified in the Harris Health Affiliation and Support Agreement with the University of Texas Health Science Center at Houston (UT Health) for the Contract Year Ended June 30, 2024 in the amount of $184M.	**Motion No. 23.06-91** **Moved by Ms. Jennifer Tijerina, seconded by Mr. Jim Robinson, and unanimously passed that the Board approve agenda item VIII.E. Motion carried.**
	F. Approval of Payment of the Total Compensation Amount Not-to-Exceed $4,946,739.22 for the Fourth Contract Year of the Dental Services Agreement with The University of Texas Health Science Center at Houston Discussions ensued regarding the dental services agreement with UT Health, quality metrics and the financial impact. Ms. Tijerina inquired about the past provider of dental services and requested clarity regarding the cancelation of the prior agreement. Dr. Porsa shared that an update on the dental service agreement will be provided to the Board in August.	**Motion No. 23.06-92** **Moved by Dr. Ewan D. Johnson, seconded by Ms. Jennifer Tijerina, and majority passed that the Board approve agenda item VIII.F. Ms. Tijerina abstained. Motion carried.**
	G. Approval of Payment of the Total Compensation Amount Not-to-Exceed $5,048,496.77 for the Fourth Contract Year of the Oral and Maxillofacial Surgery Services Agreement with The University of Texas Health Science Center at Houston	**Motion No. 23.06-93** **Moved by Ms. Carol Paret, seconded by Dr. Ewan D. Johnson, and unanimously passed that the Board approve agenda item VIII.G. Motion carried.**
	H. Approval to Ratify an Agreement for Use and Occupancy of Public Street Right-of-Way with The City of Houston for the Casa de Amigos Health Center Expansion Project, Houston, Harris County, Texas	**Motion No. 23.06-94** **Moved by Mr. Jim Robinson, seconded by Ms. Alicia Reyes, and unanimously passed that the Board approve agenda item VIII.H. Motion carried.**
	I. Discussion Regarding Harris Health's Projected Bond Election Costs as Presented by the Harris County Elections Administrator's Office Ms. Paige Abernathy, Assistant County Attorney, Harris County Attorney's Office, led the discussion regarding Harris Health's Projected Bond Election Costs as Presented by the Harris County Elections Administrator's Office. She noted that under the Texas statute, the District is required to pay the cost of the election and to provide for payment before the election is called. She noted that the estimated bond election cost is approximately $8-9M maximum. She stated the amount depends on how many other entities within the County call elections and contract with the County for those elections.	**As Presented.**

	Ms. Abernathy explained that payments will not be due on the contract until all other entities have entered into the election around September/October. The remaining payments will be due after the elections, once the costs have been finalized. She stated that the costs are based upon standard rates established by the County and include the cost associated with operating vote centers for early voting and election day. However, it does not include the cost for equipment provided by the County such as voting machines or administrative costs of the County.	
IX. Strategic Discussion	**A.** Harris Health System Strategic Plan Initiatives	
	1. Presentation Regarding Harris Health Workplace Safety & Violence Prevention Dr. Jackie Brock, Executive Vice President & Chief Nursing Executive, introduced Harris Health nursing leaders Mr. Mark Fanning, Administrative Director of Nursing, Ben Taub (BT), Ms. Theresa Sampson, Director of Nursing, BT, and Mr. Uday Uprety, Nurse Manager, BT. Ms. Sampson led the presentation regarding Harris Health Workplace Safety & Violence Prevention. She provided a brief overview of the safety strategies utilized on Unit 5C, which is one (1) of ten (10) Medical-Surgical/Telemetry acute care units at Ben Taub Hospital. She communicated some of the challenges related to COVID-19 as well as maintaining a safe therapeutic environment for patients and staff. Ms. Sampson noted several safety measures and initiatives which have been implemented to address and manage safety concerns. Mr. Uprety presented the benefits of maintaining a positive and therapeutic work environment. Dr. Brock provided definitions of violence as described by the Joint Commission and National Institute for Occupational Safety and Health (NIOSH). She noted that a risk assessment was performed in 2021 and outlined the work initiated to address many of the action items identified. Mr. Omar Reid, Executive Vice President, Chief People Officer, touched on partnerships and technology strategies used to resolve public safety concerns. Mr. Reid concluded by presenting opportunities for improvement, including additional actions and priorities measures. Ms. Tijerina inquired regarding Harris Health workplace safety and the presence of a police force. Professor Johnson echoed the same sentiments, adding that it is important to reassure everyone that Harris Health is taking serious measures to ensure the safety of patients and employees. Professor Johnson requested data centered on the total well-being of Harris Health employees. Mr. Reid stated that a report will be shared in August during the "People" strategic pillar discussion. A copy of the presentation is available in the permanent record.	**As Presented.**
	2. Presentation Regarding Harris Health Strategic Plan Pillar 6 Year-to-Date Highlights Dr. Jobi Martinez, Vice President and Chief Diversity Officer, delivered a presentation regarding Harris Health Strategic Plan Pillar 6 Year-to-Date Highlights. She touched on the five (5) key initiatives associated with Harris Health's Strategic Plan which includes:	**As Presented.**

Goal 1: Talent

- External executive recruiter position posted (currently recruiting).
- In session: internal training for underrepresented high potential.
- In session: training for recruiters and others in hiring roles.
- Provided guidance on internal mobility and flex select.
- DEI Strategist Team completed 6 week introduction.

Goal 2: Health Equity

- In partnership with Population Health to review patient data and service disparities.
- Establishing a DEI|Health Equity Framework.
- Educating HR on Employee Health Equity.
- Identifying networks to advance DEI|Health Equity research and scholarship opportunities.

Goal 3: Minority Women Business Enterprise (MWBE)

- Set program goals (20%) and are currently exceeding the goal.
- $29,749,338 in total awards between October 2022 – April 2023.
- Recruited and Hired Contractor Diversity Team.

Goal 4: Leadership & Governance

- Established DEI Framework.
- Provided training on DEI Framework.
- Setting DEI communication standards, considerations, and practices.
- Identified key and strategic training areas (bias, cultural competency, DEI, intercultural communication, understanding difference, and equity).

Goal 5: Community Engagement

- Identifying and establishing community partnerships to promote an inclusive and equitable workforce pipeline.
- Supporting ERG's to engage in community activities to promote recruitment, our name and services, and other.

A copy of the presentation is available in the permanent record.

X. Consent Agenda Items	**A.** Consent Purchasing Recommendations	
	1. Approval of Purchasing Recommendations (Items A1 through A67) Professor Johnson noted that Purchasing Transmittals (B1 through B16) are not for approval. She also noted that Consent Agenda Items (X.D.1 and 2.) are reports and updates only and were presented in your packet for informational purposes only. Copies of the purchasing recommendations are available in the permanent record.	**Motion No. 23.06-95** **Moved by Ms. Jennifer Tijerina, seconded by Ms. Alicia Reyes, and majority passed that the Board approve agenda item X.A.1. Ms. Tijerina abstained. Motion carried.**
	B. Consent Grant Recommendation	
	1. Approval of Grant Recommendation (Item B1)	**Motion No. 23.06-96** **Moved by Ms. Jennifer Tijerina, seconded by Ms. Carol Paret, and unanimously passed that the Board approve agenda items X.B.1. Motion carried.**
	C. New Consent Item for Board Approval	
	1. Acceptance of the Harris Health System April 2023 Financial Report Subject to Audit	**Motion No. 23.06-97** **Moved by Ms. Jennifer Tijerina, seconded by Ms. Alicia Reyes, and unanimously passed that the Board approve agenda items X.C.1. Motion carried.**
	D. Consent Reports and Updates to Board	**For Informational Purposes Only**
	1. Updates Regarding Pending State and Federal Legislative and Policy Issues Impacting Harris Health System 2. Harris Health System Council-At-Large April Meeting Minutes ***{End of Consent Agenda}***	

XI. Item(s) Related to Health Care for the Homeless Program	**A.** Review and Acceptance of the Following Report(s) for the Health Care for the Homeless Program (HCHP) as Required by the United States Department of Health and Human Services, which Provides Funding to the Harris County Hospital District d/b/a/Harris Health System to Provide Health Services to Persons Experiencing Homelessness under Section 330(h) of the Public Health Service Act
	
	• **HCHP July 2023 Operational Update**
	
	Ms. Tracey Burdine, Director, Health Care for the Homeless Program, delivered a presentation regarding the Health Care for the Homeless Program July 2023 Operational Update including updates to Patient Services, the Patient Satisfaction Report, the 2023 Quality Management Plan and the Quality Management Report. Ms. Burdine reported that there were 399 new adult patients, six (6) new telehealth patients, 104 returning telehealth patients and twenty-five (25) new pediatric patients associated with the Program. HCHP is expected to see approximately 9,775 patients per year as required by the Health Resources and Services Administration (HRSA). At the close of May 2023, HCHP served 1,333 unduplicated patients and 2,658 total completed visits.
	
	Ms. Burdine presented the HCHP patient satisfaction report for Q4. She noted that the Program fell below its target goal of 79.6, with an overall score of 76.1. As a result, the Program identified three (3) areas of opportunity which include: 1) good communication between providers/nurses, 2) wait times, and 3) recommend facility. Ms. Burdine shared that action plans were implemented and the Program has seen improvements in their overall scores for Q1.
	
	Ms. Burdine presented the HCHP 2023 Quality Management Plan and noted the following changes/updates:
	• Changes to the wording of indicators for consistency with UDS clinical quality measures (CQMs) that align with the versions of the Centers for Medicare and Medicaid Services (CMS) electronic-specified clinical quality measures (eCQMs) designated for the 2023 reporting period.
	• Removal of dental metric no longer required by HRSA
	  ○ "Percentage of homeless adult patients that complete phase I treatment within 12 months of initiating a treatment plan"
	• Colorectal Cancer Screening
	  ○ Age range change
	  ○ Percentage of patients 45-75 years of age who had appropriate screening for colorectal cancer
		Motion No. 23.06-98
		Moved by Ms. Alicia Reyes, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item XI.A. Motion carried.

	Ms. Burdine presented the HCHP 2023 Quality Management Plan. She noted the top three (3) areas of focus and presented initiatives set forth to address these concerns. **Breast Cancer Screening** 1) Educate the patients on the importance of appropriate screening. 2) Provide Case management and Service Linkage services to address barriers to completing appointment. **Diabetes A1C>9** 1) Grant Manager has written a grant application for ambulatory testing supplies. 2) Encourage providers to utilize dual therapy for patients. 3) Case manager will work with patients with A1C>9 on a monthly basis to educate and address any medication needs. **Childhood Immunization Status:** 1) Initiative to promote Childhood immunization at shelter town halls. 2) Disseminate educational materials on the importance of vaccines to all patients. 3) New patients are asked to complete release of information to obtain medical records from previous providers. A copy of the presentation is available in the permanent record.	
	B. Approval of the HCHP Patient Satisfaction Report	**Motion No. 23.06-99** **Moved by Ms. Alicia Reyes, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item XI.B. Motion carried.**
	C. Approval of the HCHP 2023 Quality Management Plan	**Motion No. 23.06-100** **Moved by Ms. Alicia Reyes, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item XI.C. Motion carried.**

	D. Approval of the HCHP Quality Management Report	**Motion No. 23.06-101** **Moved by Ms. Alicia Reyes, seconded by Dr. Andrea Caracostis, and unanimously passed that the Board approve agenda item XI.D. Motion carried.**
XII. Executive Session	At 12:12 p.m., Professor Marcia Johnson stated that the Board would enter into Executive Session for item XII "E" as permitted by law under Tex. Gov't Code Ann. §551.085.	
	Agenda Item Taken Out Of Order **D.** Consultation with Attorney Regarding Collaborative Opportunities with The University of Texas M.D. Anderson Cancer Center, Pursuant to Tex. Gov't Code Ann. §551.071 and Tex. Gov't Code Ann. §551.085.	**No Action Taken.**
	E. Review of the 2023 Financial Performance for the Four Months Ending April 30, 2023, Pursuant to Tex. Gov't Code Ann. §551.085 and Tex. Gov't Code Ann. §551.071 for Community Health Choice Texas, Inc. and Community Health Choice, Inc.	**No Action Taken.**
	Agenda Item Taken Out of Order **F.** Report by the Executive Vice President, Chief Compliance and Risk Officer, Regarding Compliance with Medicare, Medicaid, HIPAA and Other Federal and State Healthcare Program Requirements and a Status of Fraud and Abuse Investigations, Pursuant to Tex. Health & Safety Code Ann. §161.032, Tex. Gov't Code §418.183, Tex. Gov't Code §551.089, Tex. Occ. Code Ann. §160.007, Tex. Occ. Code Ann. §151.002, and Tex. Gov't Code Ann. §551.071, and Possible Action Regarding this Matter Upon Return to Open Session.	**No Action Taken.**
XIII. Reconvene	At 12:19 p.m., Professor Marcia Johnson reconvened the meeting in open session; she noted that a quorum was present and that no action was taken in Executive Session.	
XIV. Adjournment	Moved by Dr. Ewan Johnson, seconded by Ms. Jennifer Tijerina, and unanimously approved to adjourn the meeting. There being no further business to come before the Board, the meeting adjourned at 12:20 p.m.	

I certify that the foregoing are the Minutes of the Harris Health System Board of Trustees Meeting held on June 22, 2023.

Respectfully Submitted,

Marcia Johnson, Presiding Officer
In lieu of Dr. Arthur W. Bracey, Board Chair

Andrea Caracostis, M.D., Secretary

Minutes transcribed by Cherry Pierson

Thursday, June 22, 2023

Harris Health System Board of Trustees Board Meeting – 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.

BOARD MEMBERS PRESENT	BOARD MEMBERS ABSENT
Dr. Arthur W. Bracey *(Chair)*	Dr. Andrea Caracostis *(Secretary)*
Dr. Ewan D. Johnson *(Vice Chair)*	Director Barbie Robinson
Ms. Alicia Reyes	
Ms. Carol Paret	
Ms. Jennifer Tijerina	
Mr. Jim Robinson	
Ms. Marcia Johnson	

EXECUTIVE LEADERSHIP/STAFF/ SPECIAL INVITED GUESTS	
Amy Smith	Jennifer Zarate
Anthony Williams	Jerry Summers
Binta Baudy	Jessey Thomas
Bryan McLeod	Dr. Jobi Martinez
Carolynn Jones	Dr. Joseph Kunisch
Catherine Walther	John Matcek
Cherry Pierson	Kari McMichael
Christian Menefee	Katie Rutherford
Daniel Smith	Kelli Fondren
Derek Holmes	King Hillier
Dr. Otis R. Egins	Dr. Kunal Sharma
Dr. Steven Brass	Louis Smith
Ebon Swofford	Lynn Sessions
Eileell Alin Nguyen	Maria Cowles
Dr. Esmaeil Porsa	Dr. Martha Mims
Dr. Hemant Kumar Roy	Dr. Matasha Russell
Holly Gummert	Dr. Maureen Padilla
Dr. Esperanza Hope Galvan	Michael Hill
Jack Adger	Dr. Michael Nnadi
Dr. Jackie Brock	Nathan Bac
Jamie Orlikoff	Dr. Nelson Gonzalez
Jay Aiyer	Nicholas J Bell
Jeffrey Vinson	Omar Reid

EXECUTIVE LEADERSHIP/STAFF/ SPECIAL INVITED GUESTS	
Paige Abernathy	Susan Elmore
Patricia Darnauer	Tai Nguyen
Patrick Casey	Dr. Tien Ko
Ron Fuschillo	Toni Cotton
Sam Karim	Tracey Burdine
Sandeep Markan	Victoria Nikitin
Sara Thomas	Walter Eeds
Shawn DeCosta	Zubin Khambatta
Siraj Anwar	

Public Comment Request and Registration Process

Pursuant to Texas Government Code §551.007, members of the public are invited to attend the regular meetings of the Harris Health System Board of Trustees and may address the Board during the **Public Comment** segment regarding an official agenda item that the Board will discuss, review, or take action upon, or regarding a subject related to healthcare or patient care rendered at Harris Health System. Public Comment will occur prior to the consideration of all agenda items. If you have signed up to attend as a Public Speaker virtually, a meeting link will be provided. Note: Public Speakers will be removed from the meeting after speaking and have the option to join the meeting live via **http://harrishealthtx.swagit.com/live**.

How to Request to Address the Board of Trustees

Members of the public must register in advance to speak at the Harris Health System Board of Trustees meetings. To register, members of the public must contact the Board of Trustees Office during core business hours, Monday through Friday between 8:00 a.m. to 5:00 p.m. Members of the public must submit the registration no later than 4:00 p.m. on the day before the scheduled meeting and may only register in one of the following manners:

1. Providing the requested information located in the "Speak to the Board" tile found at: https://www.harrishealth.org/about-us-hh/board/Pages/public-comment-request-and-registration-process.aspx.
2. Printing and completing the downloadable registration form found at: https://www.harrishealth.org/about-us-hh/board/Pages/public-comment-request-and-registration-process.aspx.
   2a. A hard-copy may be scanned and emailed to BoardofTrustees@harrishealth.org.
   2b. Mailing the completed registration form to 4800 Fournace Pl., Ste. E618, Bellaire, TX 77401.
3. Contacting staff at (346) 426-1524.

Prior to submitting a request to address the Harris Health System Board of Trustees, please take a moment to review the rules to be observed during the Public Comment Period.

Rules During Public Comment Period

The presiding officer of the Board of Trustees or the Board Secretary shall keep the time for speakers.

Three Minutes

A speaker, whose subject matter, as submitted, relates to an identifiable item of business on the agenda, will be requested by the presiding officer to come to the podium where they will be provided three (3) minutes to speak. A speaker, whose subject matter, as submitted, does not relate to an identifiable item of business on the agenda, will also be provided three (3) minutes to speak. A member of the public who addresses the body through a translator will be given at least twice the amount of time as a member of the public who does not require the assistance of a translator.

- Pages 22 - 40 Were Intentionally Left Blank -

Thursday, July 27, 2023

Consideration of Approval Regarding Credentialing Changes for Members of the Harris Health System Medical Staff

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The Harris Health System Medical Executive Board approved the attached credentialing changes for the members of the Harris Health System Medical Staff for July 27, 2023.

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

Thank you.

Board of Trustees

July 2023 Medical Staff Credentials Report

HARRISHEALTH SYSTEM

Medical Staff Initial Appointments: 39
BCM Medical Staff Initial Appointments: 18
UT Medical Staff Initial Appointments: 21

Medical Staff Reappointments: NONE

BCM/UT/Harris County Hospital District (Harris Health) Medical Staff Changes in Clinical Privileges: NONE

Medical Staff Resignations: 2
HCHD Medical Staff Resignations: 1
UT Medical Staff Resignations: 1

Other Business
For Information
Temporary Privileges Awaiting Board Approval: 15

BCM/UT/Harris County Hospital District (Harris Health) Medical Staff Files for Discussion: 1
Medical Staff Initial Appointment Files for Discussion: 1

Thursday, July 27, 2023

Consideration of Approval Regarding Credentialing Changes for Members of the Harris Health System Correctional Health Medical Staff

Board of Trustees

July 2023 Correctional Health Credentials Report

Medical Staff Initial Appointments: 5

Other Business
For Information
Temporary Privileges Awaiting Board Approval: 10

Correctional Health Medical Staff Files for Discussion: NONE

Thursday, July 27, 2023

Consideration of Approval of Joint Election Services Agreement for the November 7, 2023 Bond Election, in Accordance with Applicable Laws, Including Tex. Health & Safety Code Chapter 281 and Tex. Gov't Code Chapter 1251

Proposed Joint Election Agreement

Background:

- On April 27, 2023, pursuant to Motion No. 23.04-49, the Board approved a request to the Commissioners Court to order a bond election (the "Bond Election") during the November 7, 2023 election for the purpose of financing the acquisition, construction, equipment, and/or enlargement of Harris Health System Facilities in the estimated amount of $2,500,000,000 as authorized and provided under Section 281.102, Texas Health and Safety Code, as amended.
- If the Bond Election is duly ordered by the Commissioners Court, the Bond Election shall be held as a joint election pursuant to Chapter 271 of the Texas Election Code and the agreements to be entered into between the County and each of the District and any other political subdivisions located in the County that are holding an election on November 7, 2023 and desire to participate in the joint election (each a "Joint Election Agreement").
- Additionally, Texas Health and Safety Code §281.102(d) requires Harris Health to pay for the costs of the Bond Election and provide for payment before the Commissioners Court orders the election. The proposed date for Harris County Commissioners Court to call the election is August 17, 2023.
- In order for Harris County to conduct the Bond Election on Harris Health's behalf and for Harris Health to legally provide for payment of the Bond Election pursuant to Texas Health and Safety Code §281.102(d), Harris Health and Harris County must each approve and execute a Joint Election Agreement before Commissioners Court calls the Bond Election.
- Administration requests the Board's approval of the Joint Election Agreement to authorize Harris County to conduct the Bond Election on November 7, 2023, with Harris Health's portion of the costs of such election not to exceed $9,000,000.00, consistent with the terms provided by legal counsel.

The Proposed Terms of the Agreement are as follows:

- If Commissioners Court duly orders the Bond Election for Harris Health pursuant to Texas Health and Safety Code §281.102, Harris Health desires to join the November 7, 2023 Joint Election (the "November 7, 2023 Election") being conducted by the County.
- The County will provide the election services and equipment required to administer the November 7, 2023 Election to all participating entities, including use of the County's Voting System, equipment, supplies, delivery and transportation services, personnel, polling places, technical support, training, and administrative costs.

- Harris Health's share of the election costs will be computed using the same formula that is used to calculate the share of costs paid by other participating entities, allocated based on the total number of registered voters in each participating entity that will be serviced by the County in the November 7, 2023 Election, provided that Harris Health's total share of costs will not exceed a maximum amount of $9,000,000.00.
- On or before September 15, 2023, the County will deliver to Harris Health (1) an itemized list of estimated election expenses that the County will incur in connection with the November 7, 2023 Election and (2) an estimate of Harris Health's share of such costs. Harris Health will pay 60% of its estimated costs as provided by the County within ten days of receipt, but no earlier than September 1, 2023.
- The County agrees to furnish a final accounting of the November 7, 2023 Election expenses actually incurred within ninety (90) days after the November 7, 2023 Election. Harris Health agrees to pay the County's invoice for the balance of its November 7, 2023 Election expenses within thirty (30) days of receipt of the invoice.

Thursday, July 27, 2023

Consideration of Approval of Reimbursement Resolution Related to Possible Reimbursement of Certain Expenditures from Future Bond Issuances

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Proposed Reimbursement Resolution

- The facilities proposed to be financed pursuant to the bond election include construction of improvements to and renovation, development, and equipment of (a) the Lyndon B. Johnson (LBJ) Hospital Campus, including a new LBJ Hospital and a Level 1 capable trauma center, (b) the Ben Taub Hospital Campus, and (c) primary and specialty care clinics and procedural and treatment centers, as well as acquiring land for authorized Harris Health System purposes (collectively, the "Projects").
- Harris Health System anticipates making certain payments related to the Projects before bonds can be issued for those costs. In order for Harris Health System to reimburse itself for these expenditures from proceeds of tax-exempt bonds issued in the future, IRS rules require adopting a resolution establishing the intent to reimburse such expenditures.
- Adopting the proposed reimbursement resolution does not obligate Harris Health System to make any expenditures or to reimburse itself for expenditures relating to the Projects, but it does preserve the option to do so if desired.

RESOLUTION EXPRESSING INTENT TO

REIMBURSE CERTAIN EXPENDITURES

WHEREAS, Harris County Hospital District d/b/a Harris Health System (the "Issuer") is a political subdivision of the State of Texas authorized to finance its activities by issuing obligations pursuant to Chapter 281 of the Health and Safety Code; and

WHEREAS, the Issuer will make, or has made not more than 60 days prior to the date hereof, payments with respect to the acquisition, construction, rehabilitation, reconstruction or renovation of the projects listed on Exhibit A attached hereto (the "Financed Projects"); and

WHEREAS, in certain circumstances, federal and/or state law requires that the Issuer express its official intent to issue obligations to reimburse itself for expenditures paid prior to the issuance of such obligations in order for such expenditures to be eligible for reimbursement from proceeds of such obligations; and

WHEREAS, the Issuer desires to reimburse itself for the costs associated with the Financed Projects from the proceeds of obligations to be issued subsequent to the date hereof; and

WHEREAS, the Issuer reasonably expects to issue obligations to reimburse itself for the costs associated with the Financed Projects; and

WHEREAS, Section 1.150-2(d)(2) of the Treasury Regulations sets forth limitations regarding the timing of reimbursements made from the proceeds of certain obligations.

NOW, THEREFORE, be it resolved that:

Section 1. The Issuer reasonably expects to reimburse itself for costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof and that are to be paid in connection with the acquisition, construction, rehabilitation, reconstruction or renovation of the Financed Projects from the proceeds of obligations to be issued subsequent to the date hereof.

Section 2. The Issuer reasonably expects that the maximum principal amount of obligations issued to reimburse the Issuer for the costs associated with the Financed Projects will be $_____. Such obligations may be issued in one or more series.

Section 3. Unless otherwise advised by bond counsel, any reimbursement allocation will be made not later than 18 months after the later of (1) the date the original expenditure is paid or (2) the date on which the Financed Project to which the expenditure relates is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

ADOPTED THIS _____ DAY OF _____, 2023.

By:_____

Name:_____

Title:_____

Approved as to Legal Form Only:
Christian D. Menefee
Harris County Attorney

_____

By: Elizabeth Hanston Winn
Title: Assistant County Attorney

EXHIBIT A

DESCRIPTION OF FINANCED PROJECTS

Description	Amount
Lyndon B. Johnson Hospital Campus and related land acquisition	$_____
Ben Taub Hospital Campus and related land acquisition	$_____
Ambulatory Care Services Clinics and Centers and related land acquisition	$_____

Thursday, July 27, 2023

Presentation of the Harris County Hospital District 401(k) and Pension Plan Independent Auditor's Reports and Overview for the Fiscal Year Ended December 31, 2022

Representatives from the external audit firm FORVIS, LLP, will provide an overview of the results of the Harris County Hospital District 401(k) and Pension Plan audit engagements and audit reports for the Board of Trustees' consideration and approval.

A copy of the presentation is attached.

FORVIS

Harris County Hospital District d/b/a Harris Health System

Year Ended December, 2022

REQUIRED COMMUNICATIONS

- FORVIS' Responsibilities
  - ✓ Draft financial statements and related notes are being presented and we are prepared to issue unmodified opinions
- Accounting Policies and Practices
  - ✓ Consistent with accounting and industry standards
- There were no:
  - ✓ Difficulties encountered by our team when conducting the audit
  - ✓ Disagreements with management
  - ✓ Contentious accounting issues
  - ✓ Consultations with other accountants
  - ✓ Identified material weaknesses or significant deficiencies in internal controls
- Material Written Communications
  - ✓ Audit communication letter
  - ✓ Management representation letter

FORVIS

Risk Area	Comments
Management Override of Controls	No matters are reportable.
Related-Party Disclosures	No matters are reportable; however, see related-party disclosure in your financial statements.
Management Estimates • Fair value of investments • Actuarial methods and assumptions used in calculating amounts recorded or disclosed in supplementary information	• No matters are reportable. • No matters are reportable.

Thank you!

forvis.com

FORVIS

Assurance / Tax / Advisory

Thursday, July 27, 2023

Consideration of Acceptance of the Harris County Hospital District 401(k) Plan Independent Auditor's Report and Financial Statements for the Years Ended December 31, 2022 and 2021

Representatives from the external audit firm FORVIS, LLP, will provide an overview of the results of the audit engagement for the Harris County Hospital District 401(k) Plan for the Board of Trustees' consideration and approval.

A copy of the draft report is attached.

Management recommends the acceptance of the Harris County Hospital District 401(k) Plan Independent Auditor's Report and Financial Statements for the Years Ended December 31, 2022 and 2021.

Harris County Hospital District 401(k) Plan

Independent Auditor's Report and Financial Statements

December 31, 2022 and 2021

Harris County Hospital District 401(k) Plan

December 31, 2022 and 2021

Contents

Independent Auditor's Report

Board of Trustees, 401(k) and 457(b) Administrative
Committee, and Plan Administrator
Harris County Hospital District, d/b/a Harris
Health System
Houston, Texas

Opinion

We have audited the financial statements of Harris County Hospital District 401(k) Plan (the Plan), which comprise the statements of net position available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net position available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net position available for benefits of the Plan as of December 31, 2022 and 2021, and the changes in its net position available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Dallas, Texas
June __, 2023

Harris County Hospital District 401(k) Plan

Management's Discussion and Analysis (Unaudited)

December 31, 2022, 2021 and 2020

As management of the Harris County Hospital District, d/b/a Harris Health System (the System), we offer readers of the financial statements of the Harris County Hospital District 401(k) Plan (the Plan), this narrative overview and analysis of the financial activities of the Plan for the years ended December 31, 2022, 2021 and 2020.

Financial Highlights

- The Plan reported net investment loss for 2022 of ($115,495,449), a decrease of $195,897,101 from 2021. The Plan reported net investment income for 2021 of $80,401,652, an increase of $9,313,307 from 2020.
- The Plan's net position available for benefits decreased by $89,324,630 in 2022, increased by $106,372,588 in 2021 and increased by $92,271,422 in 2020.
- The Plan's employer contributions were $22,642,370, $20,500,578 and $17,726,385 in 2022, 2021 and 2020, respectively. Participant contributions were $51,084,596, $49,279,974 and $38,940,427 in 2022, 2021 and 2020, respectively.
- Benefit payments were $47,655,827, $43,902,458 and $35,628,595 in 2022, 2021 and 2020, respectively. Administrative expenses were $683,278, $650,686 and $666,783 in 2022, 2021 and 2020, respectively. Combined benefit payments and administrative expenses increased by $3,785,961, $8,257,766 and $2,145,405 in 2022, 2021 and 2020, respectively.

Overview of the Financial Statements

Our discussion and analysis is intended to serve as an introduction to the Plan's financial statements. The Plan's financial statements are composed of financial statements and notes to the financial statements. The financial statements consist of two statements: (1) statements of net position available for benefits and (2) statements of changes in net position available for benefits. These statements present information on all the Plan's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Plan is improving or deteriorating. The statements of changes in net position available for benefits present information showing how the Plan's net position changed during the year. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis

The Plan's assets include investments reported at fair value as of December 31, 2022 and 2021. These assets are held in trust for Plan benefits. Fidelity Management Trust Company serves as trustee and custodian for the Plan.

- The net depreciation in fair value of investments for 2022 totaled ($124,892,070) compared to net appreciation of $66,653,227 in 2021. Dividend income decreased by $4,351,804 to $9,396,621 in 2022. Dividend income increased by $8,992,610 to $13,748,425 in 2021.
- The Plan's net investment loss in 2022 was ($115,495,449), net investment income in 2021 was $80,401,652, and net investment income in 2020 was $71,088,345. Net investment income (loss) consists of interest, dividend income and net appreciation (depreciation) in the fair value of investments.

Harris County Hospital District 401(k) Plan

Management's Discussion and Analysis (Unaudited)

December 31, 2022, 2021 and 2020

Statements of Net Position Available for Benefits

	2022	2021	2020
Mutual funds and common trust funds	$ 559,715,311	$ 649,602,221	$ 543,115,722
Notes receivable from participants	15,934,526	15,442,509	15,556,420
Net position available for benefits	$ 575,649,837	$ 665,044,730	$ 558,672,142

Statements of Changes in Net Position Available for Benefits

	2022	2021	2020
Net position available for benefits, beginning of year	$ 665,044,730	$ 558,672,142	$ 466,400,720
Net appreciation (depreciation) in fair value of investments	(124,892,070)	66,653,227	66,332,530
Interest and dividends	9,396,621	13,748,425	4,755,815
Interest income on notes receivables from participants	712,695	743,528	811,643
Contributions	73,726,966	69,780,552	56,666,812
Benefits paid to participants	(47,655,827)	(43,902,458)	(35,628,595)
Administrative expenses	(683,278)	(650,686)	(666,783)
Net position available for benefits, end of year	$ 575,649,837	$ 665,044,730	$ 558,672,142

Request for Information

This financial report is designed to provide a general overview of the Plan's finances. Questions about this report and requests for additional financial information should be directed to the Harris County Hospital District, d/b/a Harris Health System, Attention: Benefits Department, 4800 Fournace Place, Bellaire, Texas 77401.

Harris County Hospital District 401(k) Plan

Statements of Net Position Available for Benefits

December 31, 2022 and 2021

	2022	2021
Assets		
Investments, At Fair Value	$ 559,715,311	$ 649,602,221
Notes Receivable From Participants	15,934,526	15,442,509
Net Position Available for Benefits	$ 575,649,837	$ 665,044,730

See Notes to Financial Statements

Harris County Hospital District 401(k) Plan

Statements of Changes in Net Position Available for Benefits

Years Ended December 31, 2022 and 2021

	2022	2021
Additions		
Investment (Loss) Income		
Net (depreciation) appreciation in fair value of investments	$ (124,892,070)	$ 66,653,227
Interest and dividends	9,396,621	13,748,425
Net investment (loss) income	(115,495,449)	80,401,652
Interest Income on Notes Receivables From Participants	712,695	743,528
Contributions		
Employer	22,642,370	20,500,578
Participant	51,084,596	49,279,974
Total contributions	73,726,966	69,780,552
Total (loss) additions	(41,055,788)	150,925,732
Deductions		
Benefits paid to participants	47,655,827	43,902,458
Administrative expenses	683,278	650,686
Total deductions	48,339,105	44,553,144
Net (Decrease) Increase	(89,394,893)	106,372,588
Net Position Available for Benefits, Beginning of Year	665,044,730	558,672,142
Net Position Available for Benefits, End of Year	$ 575,649,837	$ 665,044,730

See Notes to Financial Statements

Harris County Hospital District 401(k) Plan

Notes to Financial Statements

December 31, 2022 and 2021

Note 1: Description of the Plan

The Harris County Hospital District 401(k) Plan (the Plan) was established on January 1, 1985. The Plan is a defined-contribution plan open to all full-time and part-time employees of the Harris County Hospital District, d/b/a Harris Health System (the System) who meet the Plan's requirements on the date on which the employee becomes an eligible employee. The Plan is a governmental plan and, as such, is specifically exempt from the reporting and disclosure requirements of the *Employee Retirement Income Security Act of 1974*. Fidelity Management Trust Company (Fidelity) serves as the trustee and custodian for all Plan assets.

The following brief description of the Plan is provided for general information purposes only. For more complete information, participants should refer to the *Summary Plan Description*, a copy of which is available from the System.

The Plan is administered by an Administrative Committee appointed by the System's Board of Trustees, whose members are responsible for administering the Plan under the terms established. The Board of Trustees approves amendments to the Plan.

Contributions and Vesting

Each year, participants may contribute a portion of their annual compensation to either a pretax contribution or Roth 401(k) contribution, as defined by the Plan, subject to certain Internal Revenue Code (IRC) limitations. The limitation was $20,500 and $19,500 in 2022 and 2021, respectively, for all participants. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Effective July 2007, the System enhanced the Plan with an employer match up to 5 percent of the participant's compensation for eligible employees, which is 100 percent vested with three or more years of service. Participant rollover contributions are also permitted.

Forfeited Accounts

Forfeitures under the Plan for a Plan year will be applied to reduce the System's obligation to make future matching contributions or to pay Plan administrative expenses for the Plan year. At December 31, 2022 and 2021, the balance of the forfeiture account was $1,700 and $29,791, respectively. During the years ended December 31, 2022 and 2021, employer contributions were reduced by $2,507,536 and $2,336,773, respectively, from forfeited nonvested accounts.

Participant Investment Account Options

Participants direct the investment of their contributions into various investment options offered by the Plan. The System's matching contribution is allocated to the same investment options as the participant's contributions. The Plan currently offers a variety of mutual funds and common trust funds as investment options for participants.

Harris County Hospital District 401(k) Plan

Notes to Financial Statements

December 31, 2022 and 2021

The Plan Document also includes an automatic deferral feature whereby a participant is treated as electing to defer a certain percentage of eligible compensation unless the participant made an affirmative election otherwise. The automatic deferral feature also provides for the percentage deferred at 3 percent.

Participant Accounts

Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, the System's matching contribution and allocations of Plan earnings, and charged with withdrawals and an allocation of Plan losses and administrative expenses. Allocations are based on participant account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account. Participants are vested immediately in their voluntary and employee contributions, plus actual earnings thereon.

Notes Receivable from Participants

Participants may borrow, subject to approval, as much as one-half of their respective accounts, up to a maximum amount of $50,000. The minimum loan amount is $1,000. Loans are charged at a rate of interest equal to the current prime lending rate, plus 1 percent. Interest paid is credited to the participant's account. The loans are generally repaid by payroll deduction within five years, except in the case of a loan used to purchase a principal residence.

Payment of Benefits

Benefit payments will normally be made in one lump sum, as soon as practicable, after the employee's severance from employment with the System. However, employees whose benefits at the date of severance are in excess of $1,000 may elect to have the benefit payment made at any time prior to attaining age 72. The participants or their beneficiaries may also receive benefit payments from the Plan upon the participants' permanent disability or death.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net position available for benefits and changes in net position

available for benefits and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition

Investments are reported at fair value. Quoted market prices, if available, are used to value investments. Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year-end. Estimated fair value of the common trust funds is NAV, which is based on the market value of its underlying investments. Since the NAV of the common trust funds is determined and published daily and is the basis for current transactions, the NAV is considered a readily determinable fair value.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Management fees and operating expenses charged to the Plan for investments in mutual and common trust funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction (addition) of investment return (loss) for such investments.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance, plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the *Plan Document*.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Certain administrative expenses were paid by the System and excluded from the financial statements. Trustee fees, record-keeping fees, loan initiation and maintenance fees, and legal fees are paid by the Plan and are represented as administrative expenses within the statements of changes in net position available for benefits.

Harris County Hospital District 401(k) Plan

Notes to Financial Statements

December 31, 2022 and 2021

Note 3: Investments

The fair value of individual investment options that represented 5 percent or more of the Plan's net position available for benefits as of December 31, 2022 and 2021, were as follows:

	2022	2021
Fidelity 500 Index Fund	$ 62,122,038	$ 66,204,345
Invesco Stable Value (Class B1)	51,935,576	48,502,807
T. Rowe Price Retirement 2030 Trust (Class F)	46,399,285	53,033,775
T. Rowe Price Retirement 2040 Trust (Class F)	40,928,551	46,524,020
T. Rowe Price Blue Chip Growth	37,946,433	63,752,900
T. Rowe Price Retirement 2050 Trust (Class F)	36,210,779	40,417,217
T. Rowe Price Retirement 2035 Trust (Class F)	35,595,926	39,112,439
T. Rowe Price Retirement 2045 Trust (Class F)	33,383,039	35,983,932
Diamond Hill Large Cap Fund	33,202,067	43,691,816
T. Rowe Price Retirement 2025 Trust (Class F)	29,311,824	34,286,368
T. Rowe Price Retirement 2020 Trust (Class F)	*	35,087,437

* Investment did not represent greater than 5% in the year.

The Plan categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 are quoted prices in an active market for identical assets; Level 2 are significant other observable inputs and Level 3 are significant unobservable inputs.

The following is a summary of the hierarchy of fair value of investments of the Plan as of December 31, 2022 and 2021:

Harris County Hospital District 401(k) Plan

Notes to Financial Statements

December 31, 2022 and 2021

	Fair Value Measurement Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
December 31, 2022			
Mutual funds:			
Domestic equities	$ 156,635,487	$ -	$ 156,635,487
International equities	16,839,624	-	16,839,624
Balanced and target date	1,253,686	-	1,253,686
U.S. fixed income funds	81,690,506	-	81,690,506
Common trust funds:			
Balanced and target date	-	303,296,008	303,296,008
Investment at fair value	$ 256,419,303	$ 303,296,008	$ 559,715,311

	Fair Value Measurement Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
December 31, 2021			
Mutual funds:			
Domestic equities	$ 204,515,396	$ -	$ 204,515,396
International equities	18,767,602	-	18,767,602
Balanced and target date	844,489	-	844,489
U.S. fixed income funds	82,440,391	-	82,440,391
Common trust funds:			
Balanced and target date	-	343,034,343	343,034,343
Investment at fair value	$ 306,567,878	$ 343,034,343	$ 649,602,221

Harris County Hospital District 401(k) Plan

Notes to Financial Statements

December 31, 2022 and 2021

Investment Policy

The investment guidelines for the Plan provide a framework for the selection of investment alternatives made available under the Plan to ensure that Plan participants have available high-quality investment alternatives that span the risk and return spectrum and enable the Plan participants to diversify their Plan accounts consistent with their individual circumstances, goals, and risk and reward objectives. The administrative committee is responsible for selecting the investment options that are made available under the Plan and monitoring the investment options' performance. A variety of investment options are offered to include domestic equities, international equities, asset allocation, fixed income and short-term alternatives.

The available investment options as of December 31, 2022 and 2021, are as follows:

- U.S. fixed-income:

  PIMCO Total Return Fund (Institutional Class)
  Vanguard Total Bond Market Index (Institutional Class)
  Invesco Stable Value Fund (Class B1)

- Balanced and target date:

  PIMCO Inflation Response Multi-Asset Institutional
  T. Rowe Price Retirement 2005 Trust (Class F)
  T. Rowe Price Retirement 2010 Trust (Class F)
  T. Rowe Price Retirement 2015 Trust (Class F)
  T. Rowe Price Retirement 2020 Trust (Class F)
  T. Rowe Price Retirement 2025 Trust (Class F)
  T. Rowe Price Retirement 2030 Trust (Class F)
  T. Rowe Price Retirement 2035 Trust (Class F)
  T. Rowe Price Retirement 2040 Trust (Class F)
  T. Rowe Price Retirement 2045 Trust (Class F)
  T. Rowe Price Retirement 2050 Trust (Class F)
  T. Rowe Price Retirement 2055 Trust (Class F)
  T. Rowe Price Retirement 2060 Trust (Class F)

- U.S. equity:

  Diamond Hill Large Cap Fund
  Fidelity 500 Index Fund
  T. Rowe Price Blue Chip Growth
  Meridian Growth
  DFA US Target Value
  Vanguard Extended Market Index
  Principal Global Real Estate Securities

Harris County Hospital District 401(k) Plan

Notes to Financial Statements

December 31, 2022 and 2021

- Non-U.S. equity:

  Dodge & Cox International Stock
  Vanguard Total International Stock (Institutional Class)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the Plan will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of December 31, 2022 and 2021, the Plan does not hold deposits or investments exposed to custodial credit risk.

Interest-rate Risk

The Plan offers participants three U.S. fixed-income funds as investment options at December 31, 2022 and 2021, respectively. The following is a summary of the fair value of the fixed-income funds as of December 31, 2022 and 2021, prorated for maturity distribution as disclosed by the fund managers:

Maturity Distribution	2022 Fair Value	2021 Fair Value
1-3 years	$ -	$ -
3-5 Years	-	48,502,806
Greater than 5 Years	81,690,506	33,937,585
	$ 81,690,506	$ 82,440,391

The Plan also provides investment options in balanced and target date common trust funds. The target date common trust funds provide a single-fund diversified portfolio that is automatically adjusting with an age-based asset allocation. The common trust funds are offered in five-year increments. As of December 31, 2022 and 2021, respectively, the fixed-income asset allocation of the common trust funds range from 55.00 percent and 59.30 percent for an anticipated year of retirement in the near future to 2.0 percent and 4.7 percent for those participants with longer opportunities for investment. The fund manager notes the interest rate sensitivity for these common trust funds as moderate. As of December 31, 2022 and 2021, approximately $50,466,000 and $69,982,000, respectively, were invested in fixed-income strategies in the balanced and target date common trust funds. The maturity distribution of these common trust funds is not available.

Harris County Hospital District 401(k) Plan

Notes to Financial Statements

December 31, 2022 and 2021

The Plan's investment policy does not specifically address limits on maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Each participant is responsible for determining the maturity and commensurate returns of their portfolio.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy does not specifically address the quality rating of the investments. Each participant is responsible for determining the risks and commensurate returns on their portfolio. The Plan's core U.S. fixed-income funds were rated based on the average quality of the fixed-income investments as of December 31, 2022 and 2021, as noted below:

Quality Allocation	2022 Fair Value	2021 Fair Value
U.S. Government	$ 7,313,751	$ -
Short Term Investments (Cash&Cash Equiv)	373,936	-
AAA	51,427,390	82,440,391
AA	3,708,848	-
A	8,755,738	-
BBB and below	10,090,068	-
Not Rated	20,774	-
	$ 81,690,506	$ 82,440,391

The Plan's balanced and target date common trust funds were noted by the fund manager as being invested in securities with an average credit rating of low.

Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in the exchange rate will adversely affect the value of investments denominated in a currency other than the U.S. dollar. The Plan offers investments in international equities through an international equity mutual fund. These investments are denominated in U.S. dollars and accounted for at fair value. The Plan has no exposure to foreign currency fluctuations.

Harris County Hospital District 401(k) Plan

Notes to Financial Statements

December 31, 2022 and 2021

Note 4: Plan Termination

Although it has not expressed any intent to do so, the System has the right under the Plan to discontinue its contributions at any time and to terminate the Plan. In the event of Plan termination, participants would become 100 percent vested in their accounts.

Note 5: Related-Party Transactions

Certain Plan investments are shares of mutual funds managed by Fidelity, which is the trustee of the Plan. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of investments, as they are paid through revenue sharing, rather than a direct payment. The Plan paid $683,278 and $650,686 in administrative expenses to Fidelity during the years ended December 31, 2022 and 2021, respectively.

Note 6: Plan Tax Status

The Internal Revenue Service (IRS) has determined and informed the System by a letter dated June 10, 2014, that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified and the related trust is tax exempt.

Note 7: Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term. Such changes could materially affect the participants' account balances and the amounts reported in the statements of net position available for benefits.

Note 8: Subsequent Events

Subsequent events have been evaluated through July xx, 2023, which is the date the financial statements were available to be issued.

Thursday, July 27, 2023

Consideration of Acceptance of the Harris County Hospital District Pension Plan Independent Auditor's Report and Financial Statements for the Years Ended December 31, 2022 and 2021

Representatives from the external audit firm FORVIS, LLP, will provide an overview of the results of the audit engagement for the Harris County Hospital District Pension Plan for the Board of Trustees' consideration and approval.

A copy of the draft report is attached.

Management recommends the acceptance of the Harris County Hospital District Pension Plan Independent Auditor's Report and Financial Statements for the Years Ended December 31, 2022 and 2021.

Harris County Hospital District Pension Plan

Independent Auditor's Report and Financial Statements

December 31, 2022 and 2021

Harris County Hospital District Pension Plan

December 31, 2022 and 2021

Contents

Independent Auditor's Report

Board of Trustees, Pension and Disability Committee
and Plan Administrator
Harris County Hospital District, d/b/a
Harris Health System
Houston, Texas

Opinion

We have audited the financial statements of Harris County Hospital District Pension Plan (the Plan), which comprise the statements of fiduciary net position as of December 31, 2022 and 2021, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2022 and 2021, and the changes in its fiduciary net position for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Dallas, Texas
July xx, 2023

Harris County Hospital District Pension Plan

Management's Discussion and Analysis (Unaudited)

December 31, 2022, 2021 and 2020

As management of the Harris County Hospital District, d/b/a Harris Health System (the System), we offer readers of the financial statements of Harris County Hospital District Pension Plan (the Plan), this narrative overview and analysis of the financial activities of the Plan for the years ended December 31, 2022, 2021 and 2020.

Financial Highlights

- Net position of the Plan as of December 31, 2022, 2021 and 2020, was $821,202,643, $966,372,944 and $876,637,227, respectively. The net position is restricted for use for the payment of future employee pension benefits.
- The Plan's net position restricted for pensions decreased ($145,170,301) for the year ended December 31, 2022, increased $89,735,717 for the year ended December 31, 2021, and increased $139,315,587 for the year ended December 31, 2020.
- Contributions to the Plan are made solely by the employer, the System, as determined by the Plan's actuaries based on future obligations and required funding to meet those obligations. These contributions totaled $60,000,000, $57,000,000 and $53,777,666 for the years ended December 31, 2022, 2021 and 2020, respectively.
- The Plan's total investment income (loss) in 2022, 2021 and 2020 was ($146,103,720), $88,725,192 and $138,087,869, yielding a total return on investment of (16.5 percent), 9.6 percent and 17.1 percent, respectively. Investment income consists of interest, dividend income and net appreciation (depreciation) in the fair value of investments. In 2022, the U.S. economic activity was negatively impacted and weakened. In 2021 and 2020, the U.S. economic activity firmed and strengthened. A detail of the asset allocation for the years ended December 31, 2022, 2021 and 2020, was as follows:

	2022	2021	2020
Domestic equities (common stocks)	30 %	33 %	34 %
International equities (common collective trust and mutual funds)	29	26	28
Fixed income investment (fixed income securities and mutual funds)	31	33	30
Hedge funds (common collective trusts)	5	4	4
REIT (common collective trusts)	5	4	4
Total	100 %	100 %	100 %

- Benefit payments are the primary expense of the Plan. Such payments totaled $56,575,806, $53,264,444 and $50,183,995 for the years ended December 31, 2022, 2021 and 2020, respectively.
- Other expenses of the Plan include administrative and investment management expenses, which totaled $2,490,775, $2,725,031 and $2,365,953 for the years ended December 31, 2022, 2021 and 2020, respectively.

Harris County Hospital District Pension Plan

Management's Discussion and Analysis (Unaudited)

December 31, 2022, 2021 and 2020

Overview of the Financial Statements

Our discussion and analysis is intended to serve as an introduction to the Plan's basic financial statements. The Plan's financial statements are composed of financial statements and notes to the financial statements. The financial statements consist of two statements: (1) statement of fiduciary net position and (2) statement of changes in fiduciary net position. These statements present information on all the Plan's assets and liabilities with the difference between the two reported as net position restricted for pensions. Over time, increases or decreases in net position restricted for pensions may serve as a useful indicator of whether the financial position of the Plan is improving or deteriorating. The statement of changes in fiduciary net position presents information showing how the Plan's net position restricted for pensions changed during the year. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Investment Policy

The Plan's investment policy requires the Plan to maintain target asset allocation and ranges for the total fund. The asset allocation and ranges are as follows:

	Target	Range
Domestic equity	33 %	20-46 %
International equity	22	15-29
Fixed income	35	23-47
Hedge funds	5	3-7
Real estate funds	5	3-7
Total	100 %	

The Plan's investment policy was adhered to during the years ended December 31, 2022, 2021 and 2020.

Fiduciary Net Position

	2022	2021	2020
Cash	$ 40,444,435	$ 13,618,260	$ 16,262,372
Common stocks	248,068,402	324,763,143	287,004,488
Mutual funds	246,949,236	328,217,354	307,636,891
Collective investment trusts	189,844,975	170,606,355	160,200,178
Fixed income securities	129,606,257	134,862,314	112,127,642
Short-term investments	2,100,099	133,687	1,753,408
Receivables from accrued income and other	3,700,467	5,503,167	2,053,630
	860,713,871	977,704,280	887,038,609
Liabilities from accrued expenses and other	(39,511,228)	(11,331,336)	(10,401,382)
Net pension restricted for pensions	$ 821,202,643	$ 966,372,944	$ 876,637,227

Harris County Hospital District Pension Plan
Management's Discussion and Analysis (Unaudited)
December 31, 2022, 2021 and 2020

Changes in Fiduciary Net Position

	2022	2021	2020
Beginning balance	$ 966,372,944	$ 876,637,227	$ 737,321,640
Contributions	60,000,000	57,000,000	53,777,666
Investment income (loss)	(146,103,720)	88,725,192	138,087,869
Deductions	(59,066,581)	(55,989,475)	(52,549,948)
	$ 821,202,643	$ 966,372,944	$ 876,637,227

Investment Expenses

The Plan's investment expenses for the year ended December 31, 2022 are summarized as follows:

	Direct and Indirect Fees and Commissions					
	Management Fees Paid from Trust	Management Fees Netted from Returns	Total Management Fees	Brokerage Fees/ Commissions	Profit Share/Carried Interest	Total
Equity securities	$ 1,505,148	$ -	$ 1,505,148	$ -	$ -	$ 1,505,148
Fixed income	304,115	-	304,115	-	-	304,115
Real assets	201,064	-	201,064	-	-	201,064
Total direct and indirect fees and commissions	$ 2,010,327	$ -	$ 2,010,327	$ -	$ -	$ 2,010,327
Investment services						
Custodial						308,610
Foreign income tax						38,233
Investment consulting						121,583
Legal						12,022
Total investment services						$ 480,448
Total administrative expenses						$ 2,490,775

Harris County Hospital District Pension Plan

Management's Discussion and Analysis (Unaudited)

December 31, 2022, 2021 and 2020

The following investment managers have been engaged by the System:

ArrowMark Partners
Blackstone Alternative Asset Management LP
Dodge and Cox
Jennison Associates
JP Morgan
Morgan Stanley
State Street Corporation
TCW Asset Management Co.
Wedge Capital Investment Management
William Blair & Company LLC
Eaton Vance

The Plan holds other/alternative investments in Blackstone Partners Offshore Fund Ltd., which is managed by Blackstone Alternative Asset Management LP.

Request for Information

This financial report is designed to provide a general overview of the Plan's finances. Questions about this report and requests for additional financial information should be directed to the Harris County Hospital District, d/b/a Harris Health System, Attention: Benefits Department, 4800 Fournace Place, Bellaire, Texas 77401.

Harris County Hospital District Pension Plan

Statements of Fiduciary Net Position

December 31, 2022 and 2021

	2022	2021
Assets		
Cash	$ 40,444,435	$ 13,618,260
Investments, At Fair Value		
Fixed income securities	129,606,257	134,862,314
Mutual funds:		
Fixed income	120,851,605	178,289,855
International equity	126,097,631	149,927,499
Common stocks	248,068,402	324,763,143
Collective investment trusts:		
International equity	108,281,826	94,836,849
Multistrategy	38,604,095	37,427,572
Real estate	42,959,054	38,341,934
Short-term investments	2,100,099	133,687
Total investments	816,568,969	958,582,853
Receivables		
Due from broker for securities sold	2,385,920	5,218,274
Accrued interest and dividends	1,314,547	284,893
Total receivables	3,700,467	5,503,167
Total assets	860,713,871	977,704,280
Liabilities		
Accrued administrative expenses	522,503	667,120
Due to broker for securities purchased	38,988,725	10,664,216
Total liabilities	39,511,228	11,331,336
Net position restricted for pensions	$ 821,202,643	$ 966,372,944

See Notes to Financial Statements

Harris County Hospital District Pension Plan

Statements of Changes in Fiduciary Net Position

Years Ended December 31, 2022 and 2021

	2022	2021
Employer Contributions	$ 60,000,000	$ 57,000,000
Investment Income (Loss)		
Net appreciation (depreciation) in fair value of investments	(160,177,585)	77,512,212
Interest	3,642,960	1,409,740
Dividends	10,449,684	9,821,151
Other loss	(18,779)	(17,911)
Total investment income (loss)	(146,103,720)	88,725,192
Total additions (deductions)	(86,103,720)	145,725,192
Deductions		
Benefits paid to participants and beneficiaries	56,575,806	53,264,444
Administrative expenses	2,490,775	2,725,031
Total deductions	59,066,581	55,989,475
Net Increase (Decrease) in Net Position Restricted for Pensic	(145,170,301)	89,735,717
Net Position Restricted for Pensions, Beginning of Year	966,372,944	876,637,227
Net Position Restricted for Pensions, End of Year	$ 821,202,643	$ 966,372,944

See Notes to Financial Statements

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

Note 1: Description of the Plan

The following description of Harris County Hospital District Pension Plan (the Plan) provides only general information. Participants should refer to the *Summary Plan Description* for more complete information, a copy of which is available from the Harris County Hospital District, d/b/a Harris Health System (the System).

General

The Plan is a noncontributory, single-employer defined-benefit pension plan covering all full-time employees of the System who meet the Plan's service requirements. As a governmental plan, it is exempt from the reporting and disclosure requirements of the *Employee Retirement Income Security Act of 1974,* and follows the reporting requirements as dictated by the Governmental Accounting Standards Board.

In October 2006, the System Board of Trustees (Board) amended the Plan to close enrollment to new hires effective January 1, 2007. The amended plan offers employees hired prior to January 1, 2007, a choice to either (1) continue with their current pension plan or (2) elect to participate in the System's enhanced 401(k) retirement savings plan with a match, effective July 2007, of up to 5 percent of participant's compensation provided by the System. All new hires and rehires after December 31, 2006, are only eligible for the System's 401(k) retirement savings plan with a match up to 5 percent.

The Plan is administered by an administrative committee (the Committee) appointed by the Board of the System. The Committee comprises nine members who are responsible for administering the Plan under the terms that are established. The Board, as authorized in the *Plan Document*, approves amendments to the Plan. State Street (the Trustee) serves as trustee and custodian for the Plan.

Contributions

Contributions to provide benefits under the Plan are made solely by the System. The System makes annual contributions based on an actuarial valuation of the Plan. The actuarial recommended contribution includes normal cost, plus amortization of the expected unfunded liability, if any.

Pension Benefits

Active employees with one or more years of service, who meet eligibility requirements, are entitled to a monthly pension payment beginning at normal retirement age (65) equal to the benefit accrued based on compensation and years of service. The Plan permits early retirement at ages 55 to 64, provided 10 years of service has been completed. If employees terminate after five years of service, they retain the right to vested benefits. Participants become 100 percent vested in their accrued benefits after five years of service. Each participant shall have a monthly benefit payable for life that is equal to the greater of (a) the number of years of service multiplied by 1.5 percent of the average monthly compensation (average base compensation received in the five highest

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

consecutive calendar years out of the 10 complete calendar years prior to retirement) or (b) the accrued monthly retirement benefit determined as of January 1, 1989, plus the number of years of future service earned after January 1, 1989, multiplied by 1.5 percent of the average monthly compensation, subject to a minimum equal to the benefit earned under the Plan prior to the adoption of the sixth amendment as of September 30, 1991 (applies to non-highly compensated employees only). Monthly benefit payments are subject to a minimum based on the number of years of service multiplied by $6 and a maximum provision permitted to be paid under Section 415 of the Internal Revenue Code (the IRC). Participants may also elect to receive their benefits in other optional forms.

If the present value of a terminating participant's vested benefit is $1,000 or less, the benefit will automatically be paid in a lump sum. In 2022 and 2021, there were no lump-sum payments made to terminated participants.

Death and Disability Benefits

If an active employee dies, a benefit equal to one-half of the normal pension benefit will be due to the spouse of the participant if the participant has attained 10 years of service. The beneficiary of a deceased retired participant is entitled to a lump-sum payment of $5,000. If a participant becomes disabled, the participant will be paid 55 percent of his/her average monthly compensation, less 64 percent of the monthly primary social security benefit at the time of disability. Disability benefits will be paid during the participant's disability or until retirement age is reached, whichever is shorter.

Plan Membership

Membership of the Plan consisted of the following as of January 1, 2022 and 2021, respectively:

	2022	2021
Inactive Plan members or beneficiaries currently receiving benefits	3,395	3,290
Inactive Plan members entitled to but not yet receiving benefits	1,315	1,333
Active Plan members	1,860	2,014
Total Plan members	6,570	6,637

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting. The Plan applies the Governmental Accounting Standards Board pronouncements applicable to benefit plan accounting and reporting.

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities and the actuarial present value of accumulated Plan benefits at the date of the financial statements and changes therein. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan utilizes various investment securities, including U.S. Government securities, corporate debt instruments, mutual funds, common stocks, collective investment trusts and real estate investment trusts. Investment securities, in general, are exposed to various risks, such as interest rate, credit risk, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

The actuarial present value of accumulated Plan benefits is calculated based on economic and demographic assumptions, including investment return rates, inflation rates, salary increases, retirement ages and mortality rates. Due to uncertainties inherent in the estimations and assumptions processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Valuation of Investments and Income Recognition

Investments are reported at fair value. Quoted market prices, if available, are used to value investments. Mutual funds, including short-term investments, are valued at the net asset value (NAV) of shares held by the Plan at year-end. Common stocks are valued at the closing price reported on the active market on which the individual securities are traded. Fixed income securities are valued on the basis of yields currently available on comparable securities of issuers with similar credit ratings. Units of collective investment trusts are stated at fair value using NAV practical expedient.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Certain management fees and operating expenses charged to the Plan for investments in mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

Administrative Expenses

All administrative expenses incurred in the operation of the Plan are paid by the Plan as provided in the *Plan Document*. The System provides accounting and certain other administrative services to the Plan at no charge.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Note 3: Investments

The fair value of investments as of December 31, 2022 and 2021, is presented in the following table (in thousands):

	2022	2021
Common stocks	$ 248,068	$ 324,763
Mutual funds	246,949	328,217
Collective investment trusts	189,845	170,606
Fixed income securities	129,606	134,862
Short-term investments	2,100	134
Total	$ 816,569	$ 958,583

The Plan categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 are quoted prices in an active market for identical assets, Level 2 are significant other observable inputs and Level 3 are significant unobservable inputs.

The mutual funds held by the Plan are actively traded and valued at the daily closing price as reported by the fund and are disclosed as investments in Registered Investment Companies. The collective investment trusts held by the Plan are valued at NAV of the respective investments as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the investment will be sold for an amount different from the reported NAV.

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

The following is a summary of the hierarchy of the fair value of investments of the Plan as of December 31, 2022 (in thousands):

	Fair Value Measurement Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	December 31, 2022, Total
Debt securities:			
U.S. Treasury securities	$ -	$ 66,846	$ 66,846
Asset backed	-	7,039	7,039
Agencies	-	3,071	3,071
Commercial mortgage-backed securities	-	14,261	14,261
Corporate bonds	-	35,402	35,402
Mortgages	-	2,014	2,014
Municipals	-	973	973
Fixed income mutual funds	120,852	-	120,852
Total debt securities	120,852	129,606	250,458
Equity securities:			
Domestic	248,068	-	248,068
International	126,098	-	126,098
Total equity securities	374,166	-	374,166
Short-term investment funds	2,100	-	2,100
Total investments by fair value level	$ 497,118	$ 129,606	626,724
Collective investment trusts measured at the NAV practical expedient:			
International equity			108,282
Hedge funds - multistrategy			38,604
Real estate			42,959
Total investments at NAV			189,845
Total investments measured at fair value			$ 816,569

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

The following is a summary of the hierarchy of the fair value of investments of the Plan as of December 31, 2021 (in thousands):

	Fair Value Measurement Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	December 31, 2021, Total
Debt securities:			
U.S. Treasury securities	$ -	$ 80,612	$ 80,612
Asset backed	-	6,481	6,481
Agencies	-	2,523	2,523
Commercial mortgage-backed securities	-	7,763	7,763
Corporate bonds	-	33,249	33,249
Mortgages	-	2,173	2,173
Municipals	-	2,061	2,061
Fixed income mutual funds	178,290	-	178,290
Total debt securities	178,290	134,862	313,152
Equity securities:			
Domestic	324,763	-	324,763
International	149,927	-	149,927
Total equity securities	474,690	-	474,690
Short-term investment funds	134	-	134
Total investments by fair value level	$ 653,114	$ 134,862	787,976
Collective investment trusts measured at the NAV practical expedient:			
International equity			94,837
Hedge funds - multistrategy			37,428
Real estate			38,342
Total investments at NAV			170,607
Total investments measured at fair value			$ 958,583

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

Investments Measured Using the NAV per Share Practical Expedient

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient as of December 31, 2022 and 2021. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
December 31, 2022 (in thousands):				
International equity	$ 108,282	None	Daily	None
Hedge funds - multistrategy	38,604	None	Monthly	95 days
Real estate	42,959	None	Quarterly	45 days
Total investments at NAV	$ 189,845			
December 31, 2021 (in thousands):				
International equity	$ 94,837	None	Daily	None
Hedge funds - multistrategy	37,428	None	Monthly	95 days
Real estate	38,342	None	Quarterly	45 days
Total investments at NAV	$ 170,607			

For collective investment trusts that are measured at NAV per share, the valuation provided by the fund manager is used. All partnerships provide audited financial statements, along with unaudited quarterly reports.

International equity - The trust's investment is an international equity and the investment objective is to seek long-term capital appreciation above the MSCI All Country World Ex-U.S. Investable Market Index (net), by investing at least 80 percent of its total assets in a diversified portfolio of common stocks and in securities convertible into, exchangeable for or having the right to buy such common stocks that issued by companies of all sizes domiciled outside the United States.

Hedge funds – multistrategy - This type invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility, primarily through limited partnerships. The fund is organized by investing substantially all assets through a master feeder structure and may use a wide range of investment strategies.

Real estate - This type invests in institutional quality real estate private equity funds to provide income, low-correlation to other investments and a hedge against inflation.

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

During the Plan years ended December 31, 2022 and 2021, the Plan's investments (including investments bought, sold and held during the Plan year) appreciated (depreciated) in value by ($160,177,585) and $77,512,212, respectively, as follows (in thousands).

	2022	2021
Common stocks	$ (91,912)	$ 61,108
Mutual funds	(37,754)	(658)
Collective investment trusts	(30,512)	17,062
Total	$ (160,178)	$ 77,512

Note 4: Investment Risk Disclosures

Investment Policy

Substantially all of the Plan's investments are held by the Trustee. The Committee authorizes various portfolio managers to manage investments within the guidelines of the Plan's statement of investment policy (the Policy) set forth by the Committee. The Policy mandates a diversified portfolio, which includes investments in collective investment trusts, fixed income securities and equity securities. The GAAP requires disclosure of common deposit and investment risks, including credit risk, concentration of credit risk, custodial credit risk, interest rate risk and foreign currency risk of investments.

The Policy in regard to the allocation of invested assets is established and may be amended by the System's Board of Trustees by a majority vote of its members. It is the policy of the Plan Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Policy discourages the use of cash equivalents, except for liquidity purposes and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board of Trustee's adopted asset allocation as of December 31, 2022 and 2021:

Asset Class	2022 Target Allocation	2021 Target Allocation
International equity	22 %	25 %
Fixed income	35	35
Domestic equity	33	30
Hedge funds	5	5
Real estate funds	5	5
	100 %	100 %

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

Money-weighted Rate of Return

For the years ended December 31, 2022 and 2021, the annual money-weighted rate of return on pension plan investments, net of pension investment expenses, was (16.53) percent and 9.84 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Policy establishes minimum acceptable credit ratings for certain investment instruments. Fixed income investment managers are expected to invest in a well-diversified mix of debt instruments, including U.S. Treasury, agency, mortgage-backed, asset-backed, corporate, Eurodollar and Yankee issue. The Core Plus Fixed Income Investment manager may also invest in derivative instruments such as options, future contracts or swap agreements. With the exception of the U.S. Treasury and its agencies, no more than 5 percent of the market value of the portfolio should be invested in the securities of a single issuer. No more than 15 percent of the Fixed Income Investment Manager's portion of the Plan 120 percent of the benchmark's allocation, whichever is greater, shall be rated less than "A" quality. Bonds of foreign issuers are permitted to comprise up to 30 percent of a Fixed Income Investment Manager's portfolio. The duration of the portfolio is expected to be within 50 percent of the index's duration. Guidelines for diversification and risk tolerance are detailed within the Policy. Additionally, the Policy includes specific investment strategies for fund groups that address each group's investment options and describes the priorities for suitable investments. The GAAP does not require disclosure of U.S. Government obligations explicitly guaranteed. As of December 31, 2022 and 2021 below are the Plan's fixed income investments, excluding U.S. Government obligations, at fair value (in thousands):

	2022		2021	
Security Type	**Fair Value**	**Quality**	**Fair Value**	**Quality**
Fixed income securities:				
Asset backed	$ 7,039	AA+	$ 6,481	AA+
Agencies	3,071	AAA	2,523	AAA
Commercial mortgage-backed securities	14,261	AAA	7,763	AAA
Mortgages	2,014	A	2,173	A+
Corporate	35,402	A-	33,249	A-
Municipal	973	AA+	2,061	AA+
Mutual funds	120,852	A-	178,290	A-
Total	$ 183,612		$ 232,540	

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The System mitigates these risks by emphasizing the importance of a diversified portfolio. All funds must be sufficiently diversified to eliminate the risk of loss resulting from overconcentration of assets in a specific maturity, a specific issuer or a specific class of securities. In particular, no more than 5 percent of an equity portfolio may be invested in a single company without consent of the Committee. Holdings in any one industry or sector are not to exceed 30 percent of the portfolio market value. No more than 20 percent of the portfolio may be invested in cash equivalents and fixed income securities with fixed income securities not exceeding 15 percent. Concentration by issuer for other investment instruments is limited to 5 percent. The Policy does specify that acceptable investment instruments must have high-quality credit ratings and, consequently, risk is minimal.

As of December 31, 2022 and 2021, the Plan did not hold more than 5 percent of assets in any single issuer other than mutual funds, U.S. Government obligations, collective investment trusts or obligations of U.S. Government chartered entities.

The Plan maintained no investments in derivatives as of December 31, 2022 and 2021.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the Plan will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investment or collateral securities that are in possession of another party.

The Plan does not have a formal policy for custodial credit risk. As of December 31, 2022 and 2021, all investments are held in a nominee name of the custodian for the benefit of the Plan.

Interest Rate Risk

All investments carry the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair market value to changes in market interest rates. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Interest rate risk is limited by the short-term nature of the investments.

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

As of December 31, 2022 and 2021, the Plan had the following investments in its fixed income accounts (in thousands):

	2022		2021	
Security Type	Fair Value	Weighted-average Maturity in Years	Fair Value	Weighted-average Maturity in Years
Fixed income securities:				
Asset backed	$ 7,039	14.01	$ 6,481	5.35
Agencies	3,071	22.81	2,523	6.14
Commercial mortgage-backed securities	14,261	22.53	7,763	5.29
Mortgages	2,014	15.94	2,173	2.29
Corporate	35,402	6.81	33,249	4.41
Municipal	973	8.33	2,061	8.61
U.S. Treasury	66,846	3.90	80,612	3.87
Mutual funds	120,852	5.00	178,290	7.49
Total	$ 250,458		$ 313,152	

Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in the exchange rate will adversely affect the value of investments denominated in a currency other than the U.S. dollar.

The Plan holds investments in collective investment trusts and mutual funds that are invested in international equities. These investments are denominated in U.S. dollars and accounted for at fair value. The Plan has no exposure to foreign currency fluctuations.

Note 5: Net Pension Liability of the System

The components of the net pension liability of the System as of December 31, 2022 and 2021, were as follows (in thousands):

	2022	2021
Total pension liability	$ 1,165,437	$ 1,121,564
Plan net position restricted for pensions	821,203	966,373
System net pension liability	$ 344,235	$ 155,191
Plan net position restricted for pensions as a percentage of the total pension liability	70.46%	86.16%

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2022 and 2021, using the following actuarial assumptions:

	2022	2021
Actuarial cost method	Entry age normal	Entry age normal
Inflation	2.5%	2.5%
Investment rate of return - net of expenses	5.75%	5.75%
Projected salary increases (ultimate rate)	3.0%	3.0%
Assumed retirement age	Various retirement age rates were assumed for ages 55 through 70	Various retirement age rates were assumed for ages 55 through 70
Mortality rate:	Pre-Decrement: Pub-2010 general employee below-median, amount-weighted Post-Decrement (Non-Disabled) Pub-2010 general retiree below-median, amount weighted Disabled: Pub-2010 general disabled retiree, amount weighted Contingent Survivor: Pub-2010 contingent survivor below-median, amount weighted Mortality improvement: The mortality tables include fully generational mortality improvement projected after year 2010 using Scale MP-2021	Healthy: Pri-2012 Total Dataset Mortality Table, with generational mortality improvement projected after year 2012 using Scale MP-2021 Disabled: Pri-2012 Disability Mortality Table, with generational mortality improvement projected after year 2012 using Scale MP-2021 Mortality improvement: The mortality tables include fully generational mortality improvement projected after year 2012 using Scale MP-2021

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2022 and 2021 (see the discussion of the Plan's investment policy), are summarized in the following table:

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

	2022	2021
Asset class:		
Domestic equity - large cap	7.05 %	7.14 %
Domestic equity - small cap	7.62	7.66
International equity	7.72	7.74
Fixed income	4.30	4.13
Hedge funds	6.13	6.01
Real estate	6.24	6.43

Discount Rate

The discount rate used to measure the total pension liability was 5.75 percent for 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan's net position restricted for pensions was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

System Net Pension Liability	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
		(In Thousands)	
December 31, 2022	$ 481,786	$ 344,235	$ 228,076

System Net Pension Liability	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
		(In Thousands)	
December 31, 2021	$ 289,716	$ 155,191	$ 42,201

Harris County Hospital District Pension Plan

Notes to Financial Statements

December 31, 2022 and 2021

Note 6: Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated June 10, 2014, stating that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the IRC and therefore not subject to tax. The Plan Administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the IRC.

Note 7: Related-party Transactions

Certain Plan investments are managed by State Street, which is the trustee and custodian as defined by the Plan. Fees incurred by the Plan for the investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. Actuarial fees paid by the Plan were $120,356 and $108,108 for the years ended December 31, 2022 and 2021, respectively. The System provides certain administrative services at no cost to the Plan.

Note 8: Plan Termination

Although it has not expressed any intention to do so, the System has the right under the Plan, in certain circumstances, to discontinue contributions to the Plan and to terminate the Plan. In the event that the Plan is terminated, the net position of the Plan will be allocated generally to provide the following benefits in the order indicated:

- Benefits due to participants who have reached the age of 65 and to beneficiaries of deceased participants
- Benefits due to participants qualified for early retirement, as defined by the Plan
- Benefits due to other participants in proportion to the actuarial value of their accumulated benefits

In the event the assets are not sufficient to carry out any of the foregoing purposes in full, the allocations to the accounts of individuals thereunder shall be made in the proportion that the assets available bear to the assets required to carry out the purpose in full.

Note 9: Subsequent Events

Subsequent events have been evaluated through July xx, 2023, which is the date the financial statements were available to be issued.

Required Supplementary Information
(Unaudited)

Harris County Hospital District Pension Plan

Schedule of Changes in Net Pension Liability and Related Ratios– Unaudited

Last 10 Fiscal Years (For Which Information is Available)

Years Ended December 31, 2022 Through 2014

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	$ 9,567	$ 8,601	$ 8,036	$ 8,057	$ 8,280	$ 6,803	$ 7,232	$ 7,795	$ 8,642
Interest	65,269	64,147	64,307	63,183	60,495	61,427	59,397	57,482	52,342
Changes of benefit terms:									
Difference between expected and actual experience	28,224	1,782	3,807	243	8,000	1,718	(4,063)	4,637	(1,909)
Changes of assumptions	(2,611)	61,527	50,545	23,528	15,748	10,709	-	-	40,689
Benefit payments	(56,576)	(53,264)	(50,184)	(47,367)	(44,712)	(42,563)	(40,178)	(44,023)	(34,444)
Net change in total pension liability	43,873	82,793	76,511	47,644	47,811	38,094	22,388	25,891	65,320
Total pension liability - beginning	1,121,564	1,038,771	962,260	914,616	866,805	828,711	806,323	780,432	715,112
Total pension liability - ending	1,165,437	1,121,564	1,038,771	962,260	914,616	866,805	828,711	806,323	780,432
Plan net position restricted for pensions:									
Contributions - employer	60,000	57,000	53,778	33,621	30,984	29,433	32,693	31,759	31,293
Net investment income (loss)	(146,104)	88,725	138,087	119,362	(35,426)	107,519	39,529	(4,891)	34,461
Benefit payments	(56,576)	(53,264)	(50,184)	(47,367)	(44,712)	(42,563)	(40,178)	(44,023)	(34,444)
Administrative expenses	(2,491)	(2,725)	(2,366)	(3,010)	(2,442)	(2,478)	(2,360)	(2,389)	(266)
Net change in plan net position restricted for pensions	(145,171)	89,736	139,315	102,606	(51,596)	91,911	29,684	(19,544)	31,044
Plan net position restricted for pensions - beginning	966,373	876,637	737,322	634,716	686,312	594,401	564,717	584,261	553,217
Plan net position restricted for pensions - ending	821,202	966,373	876,637	737,322	634,716	686,312	594,401	564,717	584,261
System net pension liability - ending	$ 344,235	$ 155,191	$ 162,134	$ 224,938	$ 279,900	$ 180,493	$ 234,310	$ 241,606	$ 196,171
Plan net position restricted for pensions as a percentage of the total pension liability	70.46%	86.16%	84.39%	76.62%	69.40%	79.18%	71.73%	70.04%	74.86%
Covered payroll	$ 150,963	$ 148,657	$ 156,479	$ 163,835	$ 169,885	$ 173,272	$ 182,060	$ 197,360	$ 210,728
System net pension liability as a percentage of covered payroll	228.03%	104.40%	103.61%	137.30%	164.76%	104.17%	128.70%	122.42%	93.09%

Harris County Hospital District Pension Plan

Notes to Schedule of Changes in Net Pension Liability and Related Ratios– Unaudited

Last 10 Fiscal Years (For Which Information is Available)

Years Ended December 31, 2022 Through 2014

Notes to schedule:

Changes of assumptions – In 2014, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2014 bottom quartile mortality tables with generational mortality improvement projected after 2014 with 50% of Scale MP-2014 for purposes of developing mortality rates.

Changes of assumptions – In 2017, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the MP-2017 scale and rate of return on investments from 7.5% to 7.0%.

Changes of assumptions – In 2018, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2014 total dataset mortality tables with generational mortality improvement projected after 2006 using Scale MP-2018 for purposes of developing mortality rates and change in inflation rate from 3.0% to 2.5%.

Changes of assumptions – In 2019, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the Pri-2012 total dataset mortality tables with generational mortality improvement projected after 2012 using Scale MP-2019 for purposes of developing mortality rates and change in investment return rate from 7.0% to 6.75%.

Changes of assumptions – In 2020, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the Pri-2012 total dataset mortality tables with generational mortality improvement projected after 2012 using Scale MP-2020 for purposes of developing mortality rates and change in investment return rate from 6.75% to 6.25%.

Changes of assumptions – In 2021, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the Pri-2012 total dataset mortality tables with generational mortality improvement projected after 2012 using Scale MP-2021 for purposes of developing mortality rates and change in investment return rate from 6.25% to 5.75%.

Changes of assumptions – In 2022, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the Pub-2010 total dataset mortality tables, changes in withdrawal rates from disclosed as in prior year to 75% of prior rates, changes in retirement rates from disclosed as in prior year to rates as disclosed in valuation section of the report and changes in salary increases from rates based on service dislcosed amounts in prior year to rates based on age as disclosed in valuation section of the report.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Harris County will present information for those years for which information is available. Information presented in this schedule has been determined as of Harris County's fiscal year end (December 31) in accordance with GASB 68.

Harris County Hospital District Pension Plan

Schedule of Investment Returns– Unaudited
Last 10 Fiscal Years (For Which Information is Available)
Years Ended December 31, 2022 Through 2014

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	(15.39)%	9.84%	18.29%	18.71%	(5.56)%	17.93%	6.65%	(1.19)%	6.35%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Harris County will present information for those years for which information is available. Information presented in this schedule has been determined as of Harris County's fiscal year end (December 31) in accordance with GASB 68.

Harris County Hospital District Pension Plan

Schedule of Employer Contributions – Unaudited
Last 10 Fiscal Years
Years Ended December 31, 2022 Through 2013
(Dollar Amounts in Thousands)

	Actuarially Determined Contribution	Actual Annual Contribution	Actual Annual Contribution as a Percentage of Actuarially Determined Contribution	Covered Payroll	Contributions as a Percent of Covered Payroll
Plan year ended:					
December 31, 2022	$ 38,858	$ 60,000	154 %	$ 150,963	40 %
December 31, 2021	36,225	57,000	157	148,657	38
December 31, 2020	36,056	53,778	149	156,479	34
December 31, 2019	33,621	33,621	100	163,835	21
December 31, 2018	30,984	30,984	100	169,885	18
December 31, 2017	29,433	29,433	100	173,272	17
December 31, 2016	32,693	32,693	100	182,060	18
December 31, 2015	31,759	31,759	100	197,360	16
December 31, 2014	31,292	31,292	100	210,728	15
December 31, 2013	33,959	33,959	100	220,398	15

Harris County Hospital District Pension Plan

Notes to Required Supplementary Information - Unaudited

Year Ended December 31, 2022

(Dollar Amounts in Thousands)

The information on the required supplementary information was computed as part of the actuarial valuations at the dates indicated.

Additional information as of the latest actuarial valuation is as follows:

Valuation date	December 31, 2022
Actuarial cost method	Entry age normal
Amortization method	Level dollar amortization of unfunded liabilities
Asset valuation method	Market value
Inflation	2.50%
Salary increase (ultimate rate)	3.00%
Investment rate of return	5.75%
Mortality	

Pre-Decrement:

Pub-2010 General Employee Below-Median, Amount-Weighted

Post-Decrement (Non-Disabled):

Pub-2010 General Retiree Below-Median, Amount-Weighted

Disabled:

Pub-2010 General Disabled Retiree, Amount-Weighted

Contingent Survivor:

Pub-2010 Contingent Survivor Below-Median, Amount-Weighted

Mortality Improvement:

The mortality tables include fully generational mortality improvement projected after year 2010 using Scale MP-2021.

Strategic Pillar Update

2023 Board Meeting Strategic Discussion Timeline*													
Strategic Pillar	**Executive Owner**	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUN**	**JUL**	**AUG**	**SEP**	**OCT**	**NOV**	**DEC**
		2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023
Submission Deadline		**1/11/23**	**2/8/23**	**3/8/23**	**4/12/23**	**5/10/23**	**6/7/23**	**7/12/23**	**8/9/23**	**9/13/23**	**10/11/23**		**11/8/23**
Pillar 1: Quality & Patient Safety	Dr.Brass												
Just and Accountable Culture	Jackie Brock		X										
Rollout of HRO Progress	Dr.Brass										X		
Medical Staff Engagement Advisory Council (Survey Results) (Presented in May 11 Joint Conference Committee)	Dr.Brass					X							
Pillar 2: People	Omar Reid/Jackie Brock								X				X
Workforce Safety & Violence Prevention	Omar Reid/Jackie Brock			X			X						
Pillar 3: One Harris Health	Louis Smith										X		
Strategic capital funding			X										
Patient Throughput	Trish Darnauer/ Glorimar Medina/ Jennifer Small					X							
Pillar 4: Population Health Management	Dr.Small/Hope Galvan									X			
Pillar Progress focused on SDOH	Hope Galvan					X							
Pillar 5: Infrastructure Optimization	Louis Smith												
New LBJ Hospital and LBJ Campus Planning	Louis Smith/ Trish Darnauer			X	X								X
LBJ Hospital Expansion Exterior Views (Update Only)	Trish Darnauer/ Patrick Casey							X					
Relocation of Thomas Street HC and Riverside Dialysis to Quentin Mease Clinic	Jennifer Small/ Amanda Callway			X	X								
Pillar 6: Diversity & Inclusion	Omar Reid												
Diversity, Equity, and Inclusion	Jobi Martinez						X						X
Minority Women Owned Business Enterprise	Jobi Martinez		X										
Diversity, Equity, and Inclusion Committee Update	Jobi Martinez	X											

***Subject to Change**
Revised: 07.20.23

BOARD OF TRUSTEES

Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, July 27, 2023

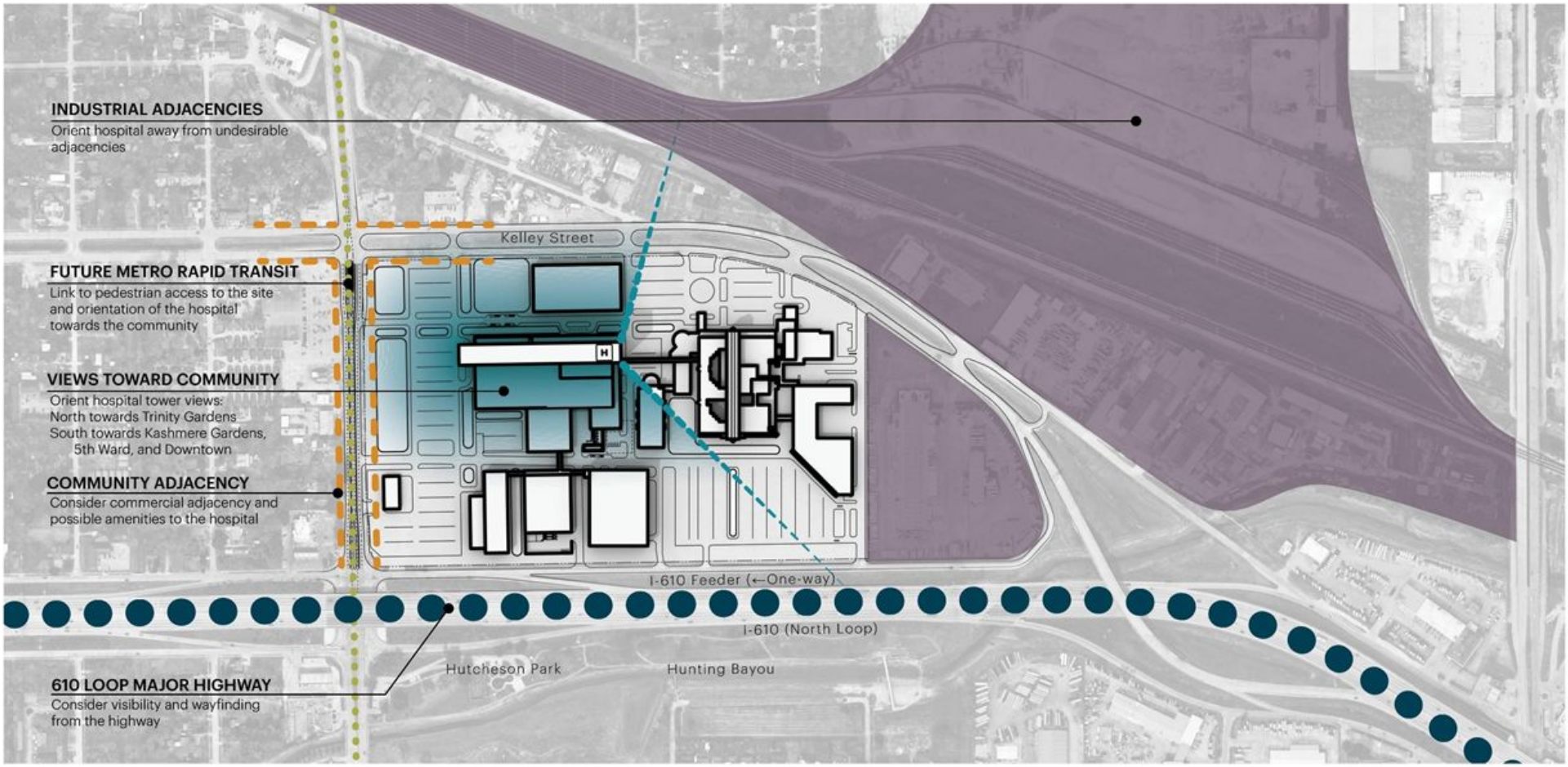
Update Regarding LBJ Hospital Expansion Project

HARRIS HEALTH SYSTEM

LBJ Hospital Expansion Design Update

Board of Trustees Presentation

July 2023

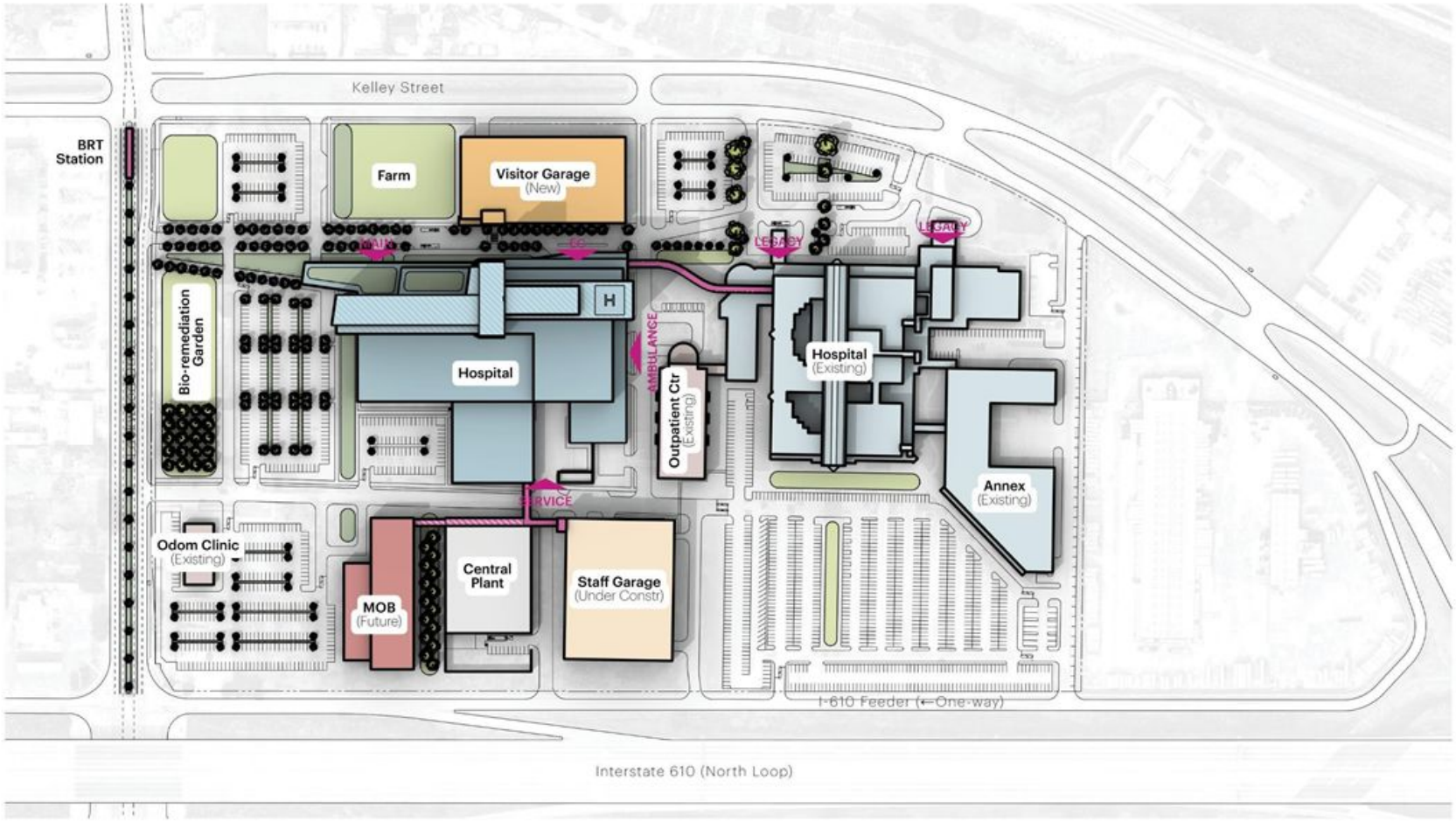


HKS | HARRISHEALTH SYSTEM | Harris Health
LBJ Hospital Expansion

N

District Considerations

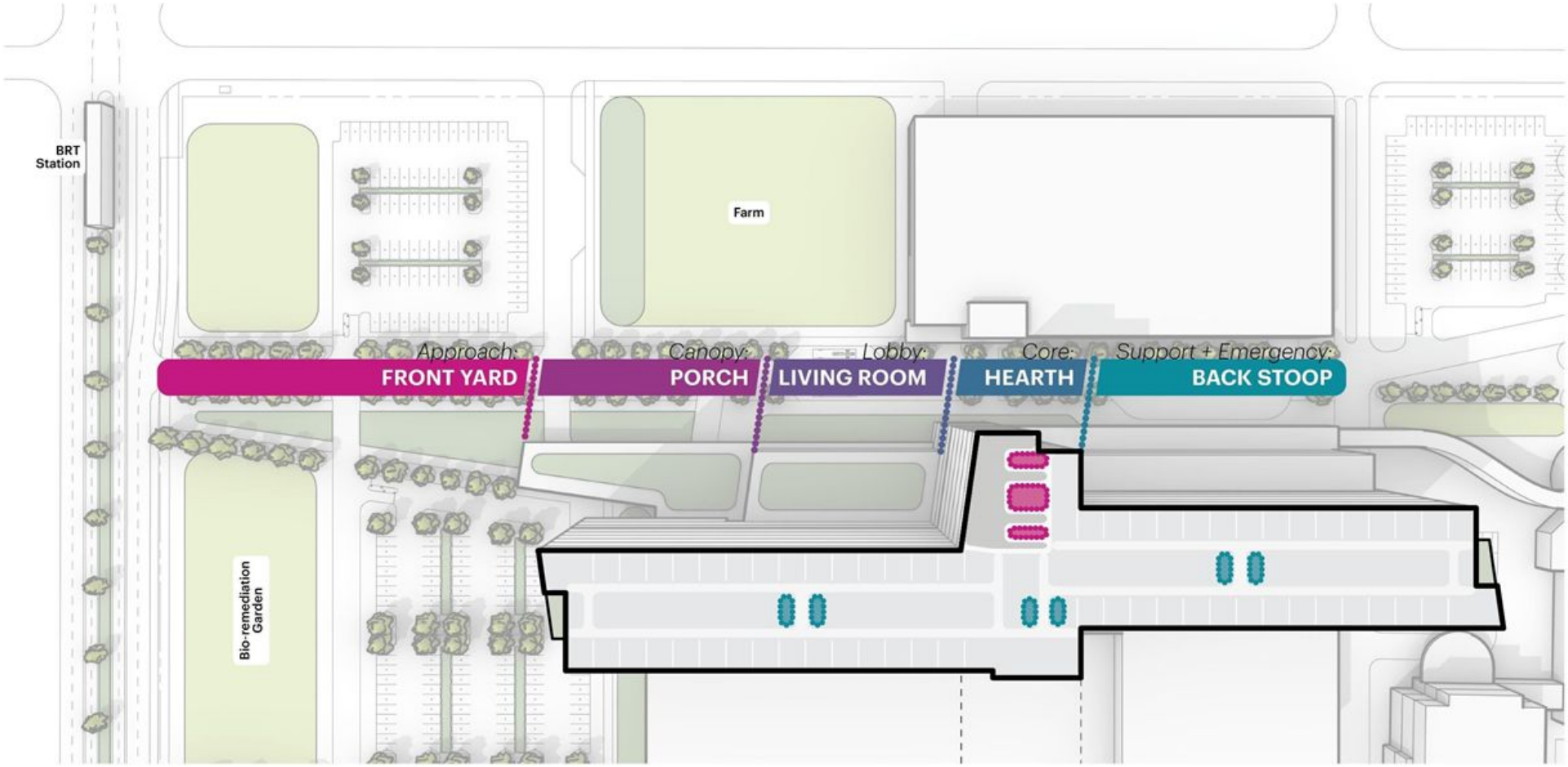
HOUSTON, TEXAS | #25138.000 | 07.27.2023 (DRAFT)



HKS | HARRISHEALTH SYSTEM | Harris Health
LBJ Hospital Expansion

LBJ Campus: Campus Plan

HOUSTON, TEXAS | #25138.000 | 07.27.2023 (DRAFT)



HKS | HARRISHEALTH SYSTEM | Harris Health
LBJ Hospital Expansion

Campus Organization: The New Familiar

HOUSTON, TEXAS | #25138.000 | 07.27.2023 (DRAFT)

HKS | HARRIS HEALTH SYSTEM | Harris Health
LBJ Hospital Expansion

Overall Perspective

HOUSTON, TEXAS | #25138.000 | 07.27.2023 (DRAFT)

HKS | HARRIS HEALTH SYSTEM | Harris Health
LBJ Hospital Expansion

Arrival: Troost Street

HOUSTON, TEXAS | #25138.000 | 07.27.2023 (DRAFT)

HKS | HARRIS HEALTH SYSTEM | Harris Health
LBJ Hospital Expansion

Arrival: Campus Entry at Main Street

HOUSTON, TEXAS | #25138.000 | 07.27.2023 (DRAFT)

HKS | HARRISHEALTH SYSTEM | Harris Health
LBJ Hospital Expansion

Arrival: Front Yard + Main Street

HOUSTON, TEXAS | #25138.000 | 07.27.2023 (DRAFT)

HKS | HARRISHEALTH SYSTEM | Harris Health
LBJ Hospital Expansion

Ground Perspective: Southwest Corner

HOUSTON, TEXAS | #25138.000 | 07.27.2023 (DRAFT)

HKS | HARRISHEALTH SYSTEM | Harris Health
LBJ Hospital Expansion

Ground Perspective: South Facade + Podium

HOUSTON, TEXAS | #25138.000 | 07.27.2023 (DRAFT)

Thursday, July 27, 2023

Update Regarding Ballot Language for Harris Health's Proposed Bond Election

FOR INFORMATION ONLY-DRAFT BALLOT LANGUAGE FOR PROPOSED BOND ELECTION

HARRIS COUNTY HOSPITAL DISTRICT – PROPOSITION A

THE ISSUANCE OF $2,500,000,000 HOSPITAL DISTRICT BONDS FOR ACQUIRING, CONSTRUCTING, EQUIPPING AND ENLARGING THE DISTRICT'S HOSPITAL SYSTEM, INCLUDING IMPROVING, RENOVATING AND DEVELOPING (A) THE LYNDON B. JOHNSON (LBJ) HOSPITAL CAMPUS, INCLUDING A REPLACEMENT LBJ HOSPITAL WITH A LEVEL 1 CAPABLE TRAUMA CENTER, (B) THE BEN TAUB HOSPITAL CAMPUS, AND (C) DISTRICT CLINICS AND HEALTH CENTERS; AND THE ACQUISITION OF LAND FOR AUTHORIZED SYSTEM PURPOSES; AND THE LEVYING OF A TAX SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS.

Harris County Commissioners Court will approve final ballot language as part of the Bond Election Order to be considered on August 17, 2023. Draft language was presented to the Harris County Commissioners Court on July 18, 2023 and is expected to be discussed at the Commissioners Court meeting on August 8, 2023.

The above draft resulted from input from Outside Special Counsel, Financial and Tax Experts, along with the Harris County Attorney's Office.

OFFICIAL BALLOT

HARRIS COUNTY HOSPITAL DISTRICT – PROPOSITION A

FOR) THE ISSUANCE OF $2,500,000,000 HOSPITAL DISTRICT BONDS FOR ACQUIRING, CONSTRUCTING, EQUIPPING AND ENLARGING THE DISTRICT'S HOSPITAL SYSTEM, INCLUDING IMPROVING, RENOVATING AND DEVELOPING

AGAINST) (A) THE LYNDON B. JOHNSON (LBJ) HOSPITAL CAMPUS, INCLUDING A REPLACEMENT LBJ HOSPITAL WITH A LEVEL 1 CAPABLE TRAUMA CENTER, (B) THE BEN TAUB HOSPITAL CAMPUS, AND (C) DISTRICT CLINICS AND HEALTH CENTERS; AND THE ACQUISITION OF LAND FOR AUTHORIZED SYSTEM PURPOSES; AND THE LEVYING OF A TAX SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS.

BOARD OF TRUSTEES

Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, July 27, 2023

July Board Committee Reports

July Board Committee Meetings:

- DEI Committee – July 11, 2023
- Governance Committee – July 11, 2023
- Quality Committee – July 11, 2023 (Summary attached for your review)

Please refer to reports presented at the Quality Committee Open Session on July 11, 2023 for additional details.

HRO Safety Message – Videos*

High-reliability Organizations (HROs) are those that successfully complete their missions despite massive complexity and high risk. Examples include the Federal Aviation Administration's Air Traffic Control system, aircraft carriers, and nuclear power plants. In each case, even a minor error could have catastrophic consequences. Yet, adverse outcomes in these organizations are rare. The key components of High Reliability Organizations (HROs), including leadership, a safety-focused culture, and a dedication to continuous learning and improvement.

***Videos**

- Zero Harm Awards 2023 - Steven Brass, MD, MPH, MBA
- Closed Loop Communication: Three Way Repeat Back – Jacqueline Brock, DNP, RN

DeWight Dopslauf, C.P.M., CPPO
Harris County Purchasing Agent

July 7, 2023

Board of Trustees Office
Harris Health System

RE: Board of Trustees Meeting – July 27, 2023
Budget and Finance Agenda Items

The Office of the Harris County Purchasing Agent recommends approval of the attached procurement actions. All recommendations are within the guidelines established by Harris County and Harris Health System.

Sincerely,

DeWight Dopslauf

DeWight Dopslauf
Purchasing Agent

JA/ea
Attachments

1111 Fannin, 12th Floor, Houston, TX 77002 Tel 713-274-4400 Fax 713-755-6695

Budget and Finance Agenda Items for the Harris County Hospital District dba Harris Health System - Board of Trustees Report

Expenditure Summary: July 27, 2023 (Approvals)

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost
A1	**Terracon Consultants, Inc.** MWBE Goal: 12% **WSP USA Buildings Inc.** MWBE Goal: 12% **C.L. Davis Company** MWBE Goal: 12%	**Professional Engineering Services for Lyndon B. Johnson Hospital Expansion Project for Harris Health System** - To provide land surveying, geotechnical and soil material testing and commissioning services for the expansion of the LBJ Hospital. ***Job No. 230018***	Award Most qualified vendor(s) meeting requirements	Patrick Casey		**$ 2,300,000**
A2	**GE Precision Healthcare LLC** MWBE Goal: GPO/CO-OP Sourced	**Ultrasound Machine** - To replace current ultrasound units that are past their expected useful life with new units for Harris Health System. ***Premier Healthcare Alliance, L.P. Contract***	Award Best Offer(s) Meeting Requirements	Teong Chai		**$ 1,241,129**
A3	**Carl Zeiss Meditec USA, Inc.** MWBE Goal: GPO/CO-OP Sourced	**Surgical Microscopes** - To replace current surgical microscopes that are past their expected useful life with new units for Ben Taub Hospital. ***Premier Healthcare Alliance, L.P. Contract***	Ratify Award Best Offer(s) Meeting Requirements	Teong Chai		**$ 797,819**
A4	**J.T. Vaughn Construction, LLC** MWBE Goal: 34%	**Construction of a Telemetry Room at Ben Taub Hospital for the Harris County Hospital District dba Harris Health System** - To provide all labor, materials, equipment and incidentals for the construction of a Telemetry Room at Ben Taub Hospital. The owner contingency provides for coverage on unanticipated costs throughout the construction project. ***Job No. 230153***	Only proposal meeting requirements	Babak Zare		**$ 778,000**
A5	**Knapp Chevrolet, Incorporated** MWBE Goal: N/A Drop Shipped	**Ambulance Vehicles for Harris Health System** - To provide two (2) EMS Ambulances for the increased demand of patient transportation throughout Harris Health System. ***Houston-Galveston Area Council (H-GAC) Cooperative Purchasing Program***	Award Lowest quote meeting specifications	Peka Owens		**$ 576,550**
A6	**Network Sciences, Inc. (GA-04786)** MWBE Goal: N/A Specialized or Technical	**Maintenance and Support for the Joint Eligibility Software System for Harris Health System** - To provide maintenance and support which includes upgrades and updates for the Joint Eligibility Software System. The system determines patient eligibility for charity care programs. ***Sole Source Exemption, Board Motion 21.06-65***	Renewal Sole Source Exemption August 22, 2023 through August 21, 2024	Kilty Anthony	$ 419,120	**$ 480,000**
A7	**Steris Corporation** MWBE Goal: GPO/CO-OP Sourced	**OR Tables** - To replace current surgical tables that are past their expected useful life for Ben Taub and Lyndon B. Johnson Hospitals. ***Premier Healthcare Alliance, L.P. Contract***	Award Best Contract(s)	Teong Chai		**$ 446,473**

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost
A8	**Jackson Walker, L.L.P.** MWBE Goal: N/A Specialized or Technical	**Legal Services for Harris Health System** - To provide legal services for a 2019 Qui Tam action that was filed against Harris Health System in the United States District Court for the Southern District of Texas. ***Professional Services Exemption***	Purchase Professional Services Exemption One (1) year initial term with two (2) one-year renewal options	L. Sara Thomas		**$ 400,000**
A9	**CareFusion Solutions, LLC (PPPH20CFS01)** MWBE Goal: GPO/CO-OP Sourced	**Purchase of Observation Units for the Pharmacy Automated Medication Dispensing system for Harris Health System.** - The funds are for the purchase, maintenance, and support of the Observation Units in the expansion of the observation bay for LBJ Hospital and Ben Taub Hospital. ***Premier Healthcare Alliance, L.P. Contract, Board Motion 22.08-111***	Additional Funds October 01, 2022 through September 30, 2023	David Edmund Wilson Trung Nguyen	$ 945,537	**$ 367,179**
A10	**3M Company** MWBE Goal: GPO/CO-OP Sourced	**Tape Products** - To provide Harris Health System with tape products. ***Premier Healthcare Alliance, L.P. Contract***	Single Source ASCEND Contract February 01, 2023 through January 31, 2024	Douglas Creamer	$ 178,490	**$ 176,389**
A11	**Medline Industries** MWBE Goal: GPO/CO-OP Sourced **Vyaire Medical, Inc** MWBE Goal: GPO/CO-OP Sourced	**Respiratory Therapy Medication Delivery and Bronchial Hygiene** - To provide Harris Health System with nebulizers, metered-dose inhaler (MDI) holding chambers (spacers), positive expiratory pressure (PEP) therapy devices and peak flow meters. ***Premier Healthcare Alliance, L.P. Contract***	Best Contract(s) May 01, 2023 through April 30, 2024	Douglas Creamer	$ 141,136	**$ 141,136**
A12	**Covidien Sales LLC** MWBE Goal: GPO/CO-OP Sourced	**Surgical Energy and Smoke Evacuation Products** - To replace current electrosurgical units that are no longer supported by the manufacturer and past their expected useful life. ***Premier Healthcare Alliance, L.P. Contract***	Award Best Offer(s) Meeting Requirements	Teong Chai		**$ 141,107**
A13	**Greater Houston HealthConnect (GA-05283)** MWBE Goal: N/A Public Health or Safety	**Greater Houston HealthConnect Partnership Agreement with Harris Health** - To continue to enable the exchange of patient medical records between Harris Health and other providers that do not have the Epic EMR software. This is a requirement for Harris Health to maintain our Meaningful Use certification, as well as improve patient care and reduce cost through reduction of duplicate diagnostic testing. ***Public Health or Safety Exemption***	Ratify Renewal Public Health or Safety Exemption June 27, 2023 through June 26, 2024	Ronald Fuschillo	$ 129,357	**$ 132,600**
A14	**Steris Corporation** MWBE Goal: GPO/CO-OP Sourced	**OR Lights and Booms** - To provide the Emergency Centers at Ben Taub and Lyndon B. Johnson Hospitals with new equipment booms required to meet the operational needs. ***Premier Healthcare Alliance, L.P. Contract***	Award Best Contract(s)	Teong Chai		**$ 132,375**
A15	**Sonosite, Inc.** MWBE Goal: GPO/CO-OP Sourced	**Ultrasound** - To add an ultrasound machine to meet the increased patient volume at Lyndon B. Johnson Hospital. ***Premier Healthcare Alliance, L.P. Contract***	Award Best Offer(s) Meeting Requirements	Teong Chai		**$ 110,290**

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost
A16	**Harris Health System (Laboratory Testing** **Harris County Institute of Forensic Sciences (Autopsy Examination and Forensic Analyses)** MWBE Goal: N/A Government Entity	**Laboratory Testing, Autopsy Examinations and Forensic Analyses and Other Services provided by Harris Health System and the Harris County Institute of Forensic Sciences (IFS)** - Harris Health System provides laboratory tests necessary for death investigations required by IFS. IFS performs autopsy examinations, forensic analyses, and other services for Harris Health System. ***Interlocal Agreement***	Ratification Renewal June 12, 2023 through June 11, 2024	Michael Nnadi	$ 0	**$ 0**
					Total Expenditures	$ 8,221,047
					Total Revenue	$ (0)

Budget and Finance Agenda Items for the Harris County Hospital District dba Harris Health System - Board of Trustees Report

Expenditure Summary: July 27, 2023 (Transmittals)

No.	Vendor	Description Justification Contract	Action Basis of Recommendation Term	Project Owner	Previous Amount	Current Estimated Cost
B1	**Oracle America, Inc. (DIR-TSO-4158)** MWBE Goal: N/A Sole Source	**Oracle Exadata Licenses and Service Fees for Harris Health System** - In May 2023, the Board of Trustees approved an award to Oracle America, Inc. for a resolution payment agreed upon between Harris Health System and Oracle America, Inc. Since that time, it has been determined that the award amount was underestimated. The amount is corrected to reflect the updated projected expenditure. ***DIR-TSO-4158***	Corrected Amount Sole Source May 30, 2023 through May 29, 2024	Ronald Fuschillo	$ 427,002	**$ 504,710**
B2	**FujiFilm Medical Systems USA, Incorporated (GA-05536)** MWBE Goal: N/A Sole Source	**License and Maintenance Services for Synapse Picture Archiving and Communication System (PACS) for Harris Health System.** - To upgrade Fujifilm Synapse PACS Radiology Imaging System to version 7.2 ***Sole Source Exemption, Board Motion 22.09-126***	Additional Funds Sole Source Exemption November 01, 2022 through October 31, 2023	Antony Kilty	$ 730,900	**$ 97,775**
B3	**Steris Corporation** MWBE Goal: GPO/CO-OP Sourced	**Steam Sterilizers** - To replace current steam sterilizers past their expected useful life with new units for Lyndon B. Johnson Hospital. ***Premier Healthcare Alliance, L.P. Contract***	Award Lowest Offer	Teong Chai		**$ 92,897**
B4	**XRT Medical LLC** MWBE Goal: N/A Public Health or Safety	**Anzai Respiratory Gating System** - To provide a respiratory gating system used in radiation therapy to more accurately track the tumor position during treatments and limit normal tissue exposure. ***Public Health or Safety Exemption***	Purchase Public Health or Safety Exemption	Louis Smith		**$ 83,000**
B5	**MGC Diagnostics Corporation** MWBE Goal: GPO/CO-OP Sourced	**Pulmonary Function and Metabolic Analyzers** - To replace a pulmonary gas exchange analysis system that is no longer supported by the manufacturer and past its expected useful life with a new machine for Lyndon B. Johnson Hospital. ***Premier Healthcare Alliance, L.P. Contract***	Award Best Offer(s) Meeting Requirements	Teong Chai		**$ 63,242**
B6	**Pace Analytical Services, LLC (HCHD-912)** MWBE Goal: N/A Procured Prior to MWBE Program	**Laboratory Analysis Testing for Harris Health System** - To continue providing laboratory analysis of specimens, including species identification, as needed, for Harris Health System. ***Job No. 190094***	Renewal July 01, 2023 through June 30, 2024	Michael Nnadi	$ 55,515	**$ 55,515**
B7	**Saba Software, Inc. (HCHD-302)** MWBE Goal: N/A Specialized or Technical	**Maintenance and Support for the Learning Management System (LMS) for Harris Health System** - The additional funds are requested in order to sync up multiple renewal dates for this contract into one annual maintenance renewal and to add additional users. Saba Learning includes learning capabilities, such as catalog, microlearning, certifications, curriculum, basic testing and assessment authoring, and content management features. ***Job No. 190064, Board Motion 22.08-111***	Additional Funds March 30, 2023 through September 16, 2023	Omar Reid	$ 205,420	**$ 50,822**
					Total Expenditures	$ 947,961
					Total Revenue	$ (0)

Thursday, July 27, 2023

Consideration of Approval of Grant Recommendations (Items C1 through C3)

Grant recommendations:

C1. JSI Research & Training Institute, Inc.

- Term: June 1, 2023 – July 31, 2025
- Award Amount: $450,000.00
- Project Owner: Dr. Jennifer Small

C2. Harris County Hospital District Foundation

- Term: August 1, 2023 – July 31, 2024
- Award Amount: $192,407.44
- Project Owner: Jeffrey Baker

C3. Patient-Centered Outcomes Research Institute (PCORI)

- Term: July 1, 2023-December 31, 2024
- Award Amount: $500,000.00
- Project Owner: Dr. Esperanza "Hope" Galvan

Grant Agenda Items for the Harris County Hospital District dba Harris Health System, Board of Trustees Report
Grant Agreement Summary: July 27, 2023

No.	Grantor	Description/Justification	Action, Basis of Recommendation	Term	Project Owner	Award Amount
C1	JSI Research & Training Institute, Inc.	Consideration of Approval to Ratify a Grant Award from JSI Research & Training Institute, Inc. to Harris County Hospital District d/b/a Harris Health System for Support in Maximizing the Use of Telehealth Strategies to Harris Health Patients of the Ryan White HIV/AIDS Program (RWHAP) Funded by the United States Department of Health Resources and Services Administration (HRSA) Special Projects of National Significance (SPNS) HIV/AIDS Bureau (HAB). Budgeted Periods: ● Period 1: $50,000 (June 1, 2023-July 31, 2023) ● Period 2: $200,000 (August 1, 2023-July 31, 2024) ● Period 3: $200,000 (August 1, 2024-July 31, 2025)	**Grant Award (Ratification)**	June 1, 2023 through July 31, 2025	Dr. Jennifer Small	$ 450,000
C2	Harris County Hospital District Foundation	Consideration of Approval of a Grant Agreement between Harris Health System and the Harris County Hospital District Foundation benefitting the Harris Health System Texas Health Steps Clinic Postpartum Follow Up Integration which will staff obstetric nurses in the Texas Health Steps pediatric clinic to assess for signs and symptoms of both postpartum depression using the Edinburgh Postnatal Depression Scale (EPDS) and preeclampsia	**Grant Agreement**	August 1, 2023 through July 31, 2024	Jeffrey Baker	$ 192,407.44
C3	Patient-Centered Outcomes Research Institute (PCORI)	Consideration of Approval of a First Amendment to the Master Funding Agreement Between the Harris County Hospital District d/b/a Harris Health System and Patient-Centered Outcomes Research Institute (PCORI) as Part of the National Health Systems Implementation Initiative for the Health Equity Capacity Building Project	**Master Funding Agreement (First Amendment)**	July 1, 2023 through December 31, 2024	Dr. Esperanza Galvan	$ 500,000.00
					TOTAL AMOUNT:	**$ 1,142,407.44**

BOARD OF TRUSTEES

Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, July 27, 2023

Consideration of Acceptance of the Harris Health System May 2023 Financial Report Subject to Audit

HARRISHEALTH SYSTEM

Financial Statements

As of May 31, 2023

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HARRISHEALTH SYSTEM

Operating income for May was $7.0 million compared to budgeted income of $636 thousand.

Total net revenue for May of $194.1 million was $3.9 million or 2.1% more than budget. Net patient revenue was $2.3 million lower than expected, but was offset by improved investment returns of $9.9 million. Medicaid Supplemental programs were $4.4 million higher than budget primarily due to timing. The Foundation contribution of $9.5 million received in January 2023 was reclassified to deferred revenue.

In May, total expenses of $187.1 million were $2.4 million or 1.3% less than budget. Purchased services for medical insurance subsidies decreased $3.3 million due to the Marketplace plan pricing effective for calendar year 2023. The change in the Community Health Choice plan pricing, and a corresponding decrease in subsidy, was discussed with the Board of Trustees in November 2022.

Also in May, total patient days and average daily census increased 3.3% compared to budget. Inpatient case mix index, a measure of patient acuity, was 3.1% higher than planned with length of stay 10.5% higher than budget. Emergency room visits were 7.7% higher than planned for the month. Total clinic visits, including telehealth, were 4.7% higher compared to budget. Births were up 4.4% for the month and 11.7% higher year-to-date.

Total cash receipts for May were $74.8 million. The System has $1,629.9 million in unrestricted cash, cash equivalents and investments, representing 279.4 days cash on hand. Harris Health System has $140.3 million in net accounts receivable, representing 71.0 days of outstanding patient accounts receivable at May 31, 2023. The May balance sheet reflects a combined net receivable position of $24.8 million under the various Medicaid Supplemental programs.

Income Statement

HARRISHEALTH SYSTEM

As of May 31, 2023 (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	$ 57.8	$ 60.1	-3.8%	$ 480.4	$ 481.8	-0.3%	$ 512.7	-6.3%
Medicaid Supplemental Programs	55.5	51.0	8.7%	458.1	408.2	12.2%	284.5	61.0%
Other Operating Revenue	10.2	9.4	8.4%	81.0	75.7	7.1%	46.7	73.5%
Total Operating Revenue	**$ 123.5**	**$ 120.5**	**2.5%**	**$ 1,019.5**	**$ 965.7**	**5.6%**	**$ 843.9**	**20.8%**
Net Ad Valorem Taxes	70.7	69.3	2.2%	557.0	554.1	0.5%	354.5	57.1%
Net Tobacco Settlement Revenue	-	-	0.0%	15.2	13.3	14.2%	16.7	-9.3%
Capital Gifts & Grants	(9.5)	-	0.0%	-	-	0.0%	45.9	-100.0%
Interest Income & Other	9.4	0.4	2152.3%	50.8	4.3	1073.5%	41.9	21.3%
Total Nonoperating Revenue	**$ 70.6**	**$ 69.7**	**1.4%**	**$ 623.1**	**$ 571.7**	**9.0%**	**$ 459.1**	**35.7%**
Total Net Revenue	**$ 194.1**	**$ 190.2**	**2.1%**	**$ 1,642.6**	**$ 1,537.4**	**6.8%**	**$ 1,302.9**	**26.1%**
EXPENSE								
Salaries and Wages	$ 75.8	$ 74.6	-1.7%	$ 582.4	$ 602.6	3.4%	$ 564.3	-3.2%
Employee Benefits	24.7	24.2	-2.0%	189.9	193.8	2.0%	173.4	-9.5%
Total Labor Cost	**$ 100.6**	**$ 98.8**	**-1.8%**	**$ 772.3**	**$ 796.4**	**3.0%**	**$ 737.7**	**-4.7%**
Supply Expenses	22.9	23.9	4.0%	190.8	186.5	-2.3%	181.8	-4.9%
Physician Services	35.6	35.8	0.8%	275.7	286.6	3.8%	259.8	-6.1%
Purchased Services	21.1	23.8	11.2%	163.5	185.7	12.0%	179.8	9.0%
Depreciation & Interest	6.9	7.2	4.0%	55.8	60.0	6.9%	51.8	-7.8%
Total Operating Expense	**$ 187.1**	**$ 189.5**	**1.3%**	**$ 1,458.1**	**$ 1,515.2**	**3.8%**	**$ 1,410.9**	**-3.3%**
Operating Income (Loss)	**$ 7.0**	**$ 0.6**		**$ 184.4**	**$ 22.2**		**$ (107.9)**	
Total Margin %	**3.6%**	**0.3%**		**11.2%**	**1.4%**		**-8.3%**	

Balance Sheet

HARRISHEALTH SYSTEM

As of May 31, 2023 and 2022 (in $ Millions)

	CURRENT YEAR	PRIOR YEAR
CURRENT ASSETS		
Cash, Cash Equivalents and Short Term Investments	$ 1,629.9	$ 1,312.1
Net Patient Accounts Receivable	140.3	121.5
Net Ad Valorem Taxes, Current Portion	12.6	4.2
Other Current Assets	160.6	116.7
Total Current Assets	**$ 1,943.5**	**$ 1,554.5**
CAPITAL ASSETS		
Plant, Property, & Equipment, Net of Accumulated Depreciation	$ 417.0	$ 429.5
Construction in Progress	206.1	132.4
Right of Use Assets	44.6	46.1
Total Capital Assets	**$ 667.7**	**$ 608.0**
ASSETS LIMITED AS TO USE & RESTRICTED ASSETS		
Debt Service & Capital Asset Funds	$ 40.9	$ 46.2
LPPF Restricted Cash	7.6	14.6
Capital Gift Proceeds	46.7	45.0
Other - Restricted	1.1	1.3
Total Assets Limited As to Use & Restricted Assets	**$ 96.4**	**$ 107.1**
Other Assets	41.8	20.5
Deferred Outflows of Resources	188.5	152.7
Total Assets & Deferred Outflows of Resources	**$ 2,937.9**	**$ 2,442.7**
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 492.5	$ 242.1
Employee Compensation & Related Liabilities	128.7	114.6
Estimated Third-Party Payor Settlements	13.9	13.5
Current Portion Long-Term Debt and Capital Leases	20.2	20.0
Total Current Liabilities	**$ 655.3**	**$ 390.3**
Long-Term Debt	317.5	334.5
Net Pension & Post Employment Benefits Liability	592.8	598.4
Other Long-Term Liabilities	7.7	18.0
Deferred Inflows of Resources	218.7	218.7
Total Liabilities	**$ 1,792.0**	**$ 1,559.9**
Total Net Assets	**$ 1,145.9**	**$ 882.9**
Total Liabilities & Net Assets	**$ 2,937.9**	**$ 2,442.7**

Cash Flow Summary

HARRISHEALTH SYSTEM

As of May 31, 2023 (In $ Millions)

	MONTH-TO-MONTH		YEAR-TO-DATE	
	CURRENT YEAR	PRIOR YEAR	CURRENT YEAR	PRIOR YEAR
CASH RECEIPTS				
Collections on Patient Accounts	$ 58.4	$ 65.0	$ 468.3	$ 465.3
Medicaid Supplemental Programs	2.9	(8.0)	872.6	517.4
Net Ad Valorem Taxes	3.4	3.8	816.5	801.7
Tobacco Settlement	-	-	15.2	16.7
Other Revenue	10.1	8.9	170.9	103.1
Total Cash Receipts	**$ 74.8**	**$ 69.7**	**$ 2,343.5**	**$ 1,904.3**
CASH DISBURSEMENTS				
Salaries. Wages and Benefits	$ 111.0	$ 95.5	$ 875.1	$ 734.5
Supplies	23.9	21.4	198.5	185.2
Physician Services	34.3	32.8	265.5	249.3
Purchased Services	25.3	18.8	154.6	141.7
Capital Expenditures	11.7	9.8	84.9	67.9
Debt and Interest Payments	0.3	0.3	19.5	19.1
Other Uses	6.4	1.3	(61.6)	47.0
Total Cash Disbursements	**$ 212.8**	**$ 179.8**	**$ 1,536.5**	**$ 1,444.7**
Net Change	**$ (138.1)**	**$ (110.1)**	**$ 807.1**	**$ 459.6**

Unrestricted cash, cash equivalents and investments - Beginning of year	$ 822.8
Net Change	807.1
Untrestricted cash, cash equivalents and investments - End of period	**$ 1,629.9**

Performance Ratios

HARRISHEALTH SYSTEM

As of May 31, 2023

	MONTH-TO-MONTH		YEAR-TO-DATE		
	CURRENT YEAR	CURRENT BUDGET	CURRENT YEAR	CURRENT BUDGET	PRIOR YEAR
OPERATING HEALTH INDICATORS					
Operating Margin %	3.6%	0.3%	11.2%	1.4%	-8.3%
Run Rate per Day (In$ Millions)	$ 5.8	$ 5.9	$ 5.8	$ 6.0	$ 5.6
Salary, Wages & Benefit per APD	$ 2,417	$ 2,604	$ 2,334	$ 2,658	$ 2,517
Supply Cost per APD	$ 551	$ 629	$ 577	$ 622	$ 620
Physician Services per APD	$ 855	$ 944	$ 833	$ 956	$ 886
Total Expense per APD	**$ 4,497**	**$ 4,996**	**$ 4,408**	**$ 5,056**	**$ 4,814**
Overtime as a % of Total Salaries	3.5%	1.9%	3.6%	1.9%	3.3%
Contract as a % of Total Salaries	5.4%	7.4%	5.2%	7.4%	8.4%
Full-time Equivalent Employees	10,039	9,875	9,894	10,140	9,425
FINANCIAL HEALTH INDICATORS					
Quick Ratio			2.9		3.9
Unrestricted Cash (In $ Millions)			$ 1,629.9	$ 981.7	$ 1,312.1
Days Cash on Hand			279.4	169.5	233.5
Days Revenue in Accounts Receivable			71.0	53.8	57.6
Days in Accounts Payable			50.5		47.7
Capital Expenditures/Depreciation & Amortization			176.7%		152.7%
Average Age of Plant(years)			11.7		12.2

Harris Health System Key Indicators

Statistical Highlights

HARRISHEALTH SYSTEM

As of May 31, 2023

	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	41,602	37,938	9.7%	331,256	299,660	10.5%	293,061	13.0%
Outpatient % of Adjusted Volume	60.8%	61.4%	-1.0%	60.6%	61.7%	-1.9%	62.4%	-2.9%
Primary Care Clinic Visits	45,026	43,345	3.9%	352,904	325,771	8.3%	317,713	11.1%
Specialty Clinic Visits	21,964	21,306	3.1%	163,864	156,681	4.6%	154,558	6.0%
Telehealth Clinic Visits	11,305	10,135	11.5%	87,042	87,660	-0.7%	111,148	-21.7%
Total Clinic Visits	**78,295**	**74,786**	**4.7%**	**603,810**	**570,112**	**5.9%**	**583,419**	**3.5%**
Emergency Room Visits - Outpatient	11,510	10,957	5.0%	86,684	88,663	-2.2%	85,054	1.9%
Emergency Room Visits - Admitted	2,015	1,597	26.2%	14,653	13,119	11.7%	11,825	23.9%
Total Emergency Room Visits	**13,525**	**12,554**	**7.7%**	**101,337**	**101,782**	**-0.4%**	**96,879**	**4.6%**
Surgery Cases - Outpatient	988	1,221	-19.1%	7,416	8,654	-14.3%	6,530	13.6%
Surgery Cases - Inpatient	835	1,024	-18.5%	6,371	7,389	-13.8%	5,946	7.1%
Total Surgery Cases	**1,823**	**2,245**	**-18.8%**	**13,787**	**16,043**	**-14.1%**	**12,476**	**10.5%**
Total Outpatient Visits	**129,357**	**124,865**	**3.6%**	**991,690**	**970,589**	**2.2%**	**1,013,120**	**-2.1%**
Inpatient Cases (Discharges)	2,507	2,487	0.8%	20,969	19,339	8.4%	18,242	14.9%
Outpatient Observation Cases	848	1,252	-32.3%	6,487	9,677	-33.0%	9,237	-29.8%
Total Cases Occupying Patient Beds	**3,355**	**3,739**	**-10.3%**	**27,456**	**29,016**	**-5.4%**	**27,479**	**-0.1%**
Births	402	385	4.4%	3,575	3,201	11.7%	3,343	6.9%
Inpatient Days	16,314	14,640	11.4%	130,574	114,643	13.9%	110,266	18.4%
Outpatient Observation Days	2,700	3,762	-28.2%	20,785	29,320	-29.1%	29,224	-28.9%
Total Patient Days	**19,014**	**18,402**	**3.3%**	**151,359**	**143,963**	**5.1%**	**139,490**	**8.5%**
Average Daily Census	613.4	593.6	3.3%	622.9	592.4	5.1%	574.0	8.5%
Average Operating Beds	689	681	1.2%	682	681	0.1%	684	-0.3%
Bed Occupancy %	89.0%	87.2%	2.1%	91.3%	87.0%	5.0%	83.9%	8.8%
Inpatient Average Length of Stay	6.51	5.89	10.5%	6.23	5.93	5.0%	6.04	3.0%
Inpatient Case Mix Index (CMI)	1.759	1.706	3.1%	1.707	1.706	0.0%	1.783	-4.3%
Payor Mix (% of Charges)								
Charity & Self Pay	44.1%	46.2%	-4.6%	44.8%	46.7%	-4.1%	46.6%	-3.9%
Medicaid & Medicaid Managed	21.0%	23.5%	-10.4%	23.2%	22.7%	2.0%	21.6%	7.1%
Medicare & Medicare Managed	11.1%	11.6%	-4.0%	11.2%	11.0%	2.2%	11.7%	-4.0%
Commercial & Other	23.8%	18.7%	27.0%	20.8%	19.5%	6.8%	20.1%	3.6%
Total Unduplicated Patients - Rolling 12				**248,424**			**251,972**	**-1.4%**
Total New Patient - Rolling 12				**87,002**			**83,303**	**4.4%**

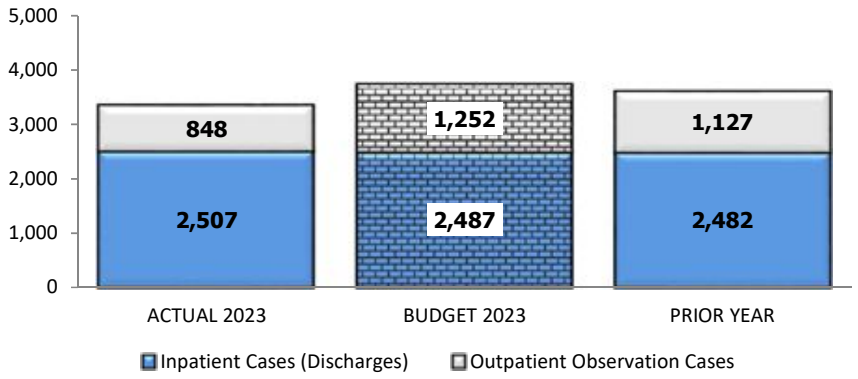
Harris Health System

Statistical Highlights

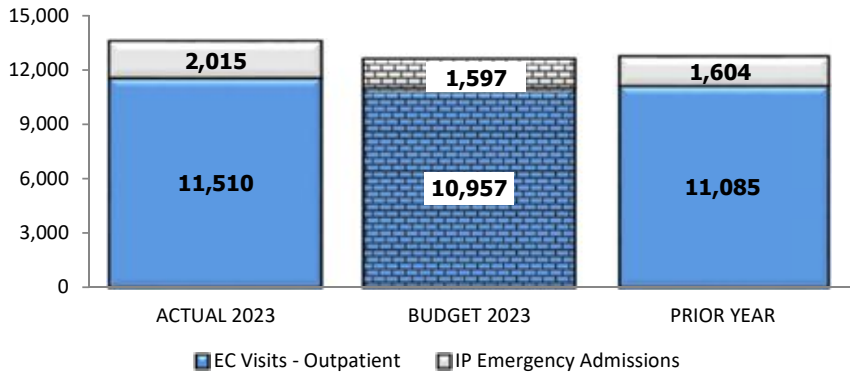
May FY 2023

Cases Occupying Beds - CM			Cases Occupying Beds - YTD			Emergency Visits - CM			Emergency Visits - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
3,355	3,739	3,609	27,456	29,016	27,479	13,525	12,554	12,689	101,337	101,782	96,879

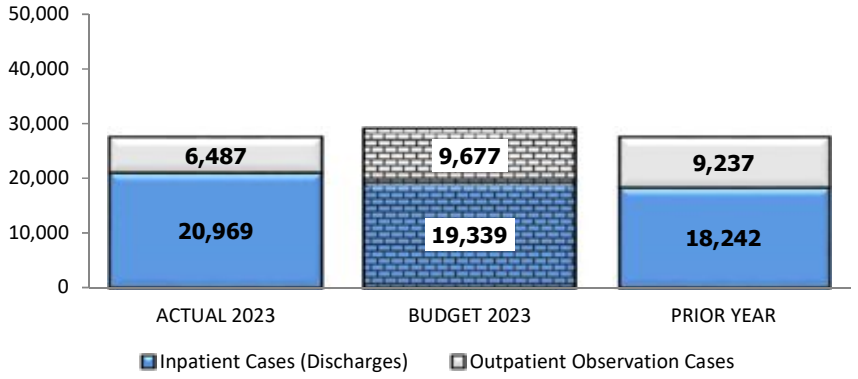
Cases Occupying Beds - Current Month



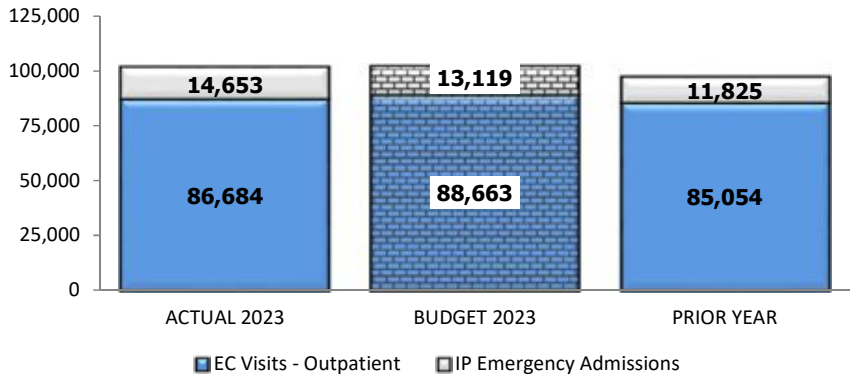
Emergency Visits - Current Month



Cases Occupying Beds - YTD



Emergency Visits - YTD



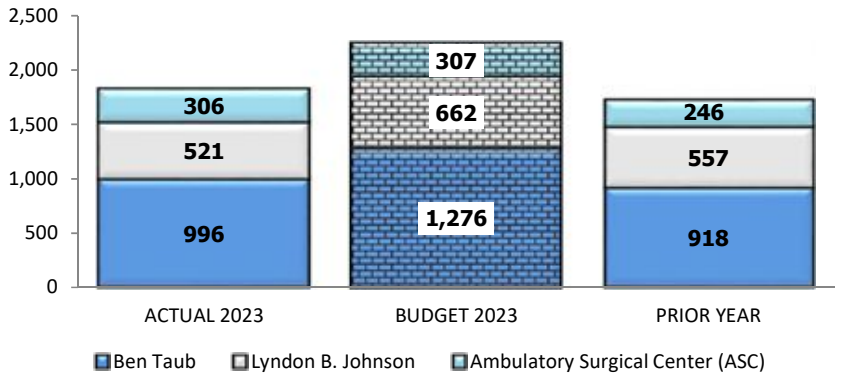
Harris Health System

Statistical Highlights

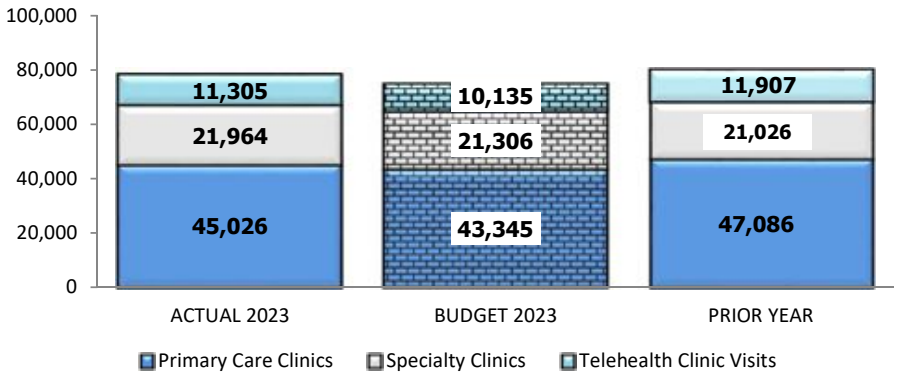
May FY 2023

Surgery Cases - CM			Surgery Cases - YTD			Clinic Visits - CM			Clinic Visits - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
1,823	2,245	1,721	13,787	16,043	12,476	78,295	74,786	80,019	603,810	570,112	583,419

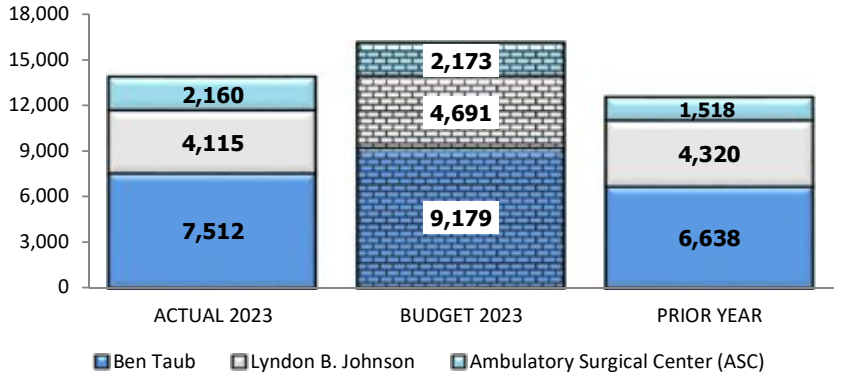
Surgery Cases - Current Month



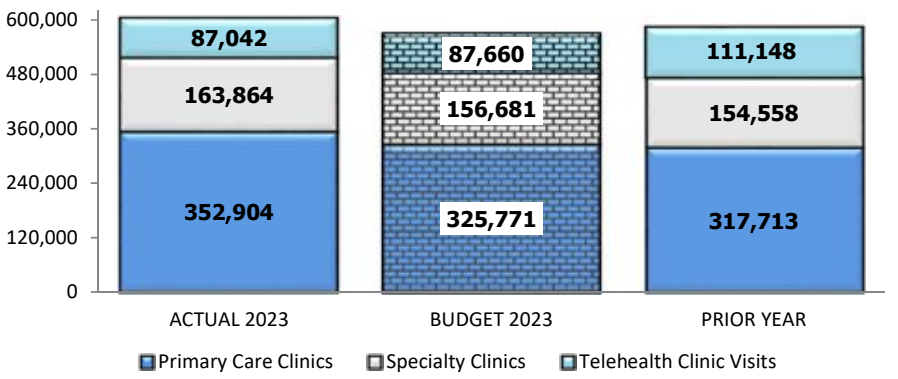
Clinic Visits - Current Month



Surgery Cases - YTD



Clinic Visits - YTD



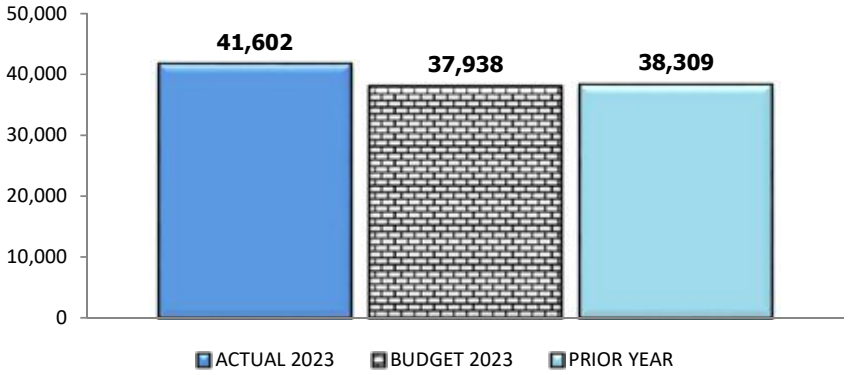
Harris Health System

Statistical Highlights

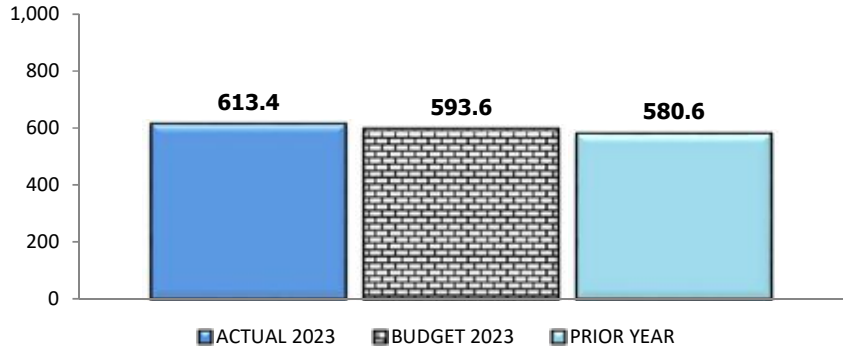
May FY 2023

Adjusted Patient Days - CM	Adjusted Patient Days - YTD	Average Daily Census - CM	Average Daily Census - YTD
41,602	331,256	613.4	622.9

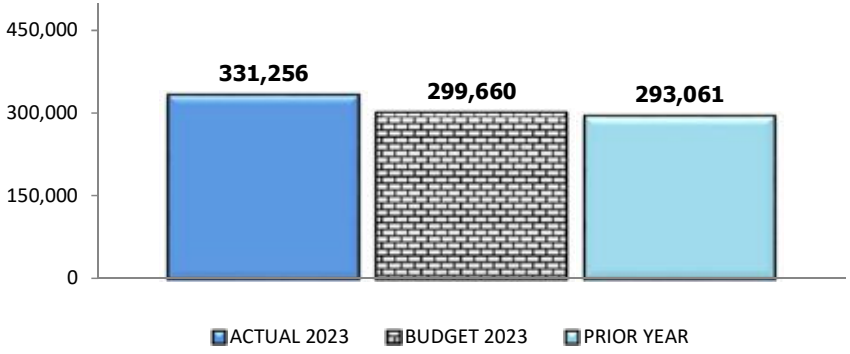
Adjusted Patient Days - Current Month



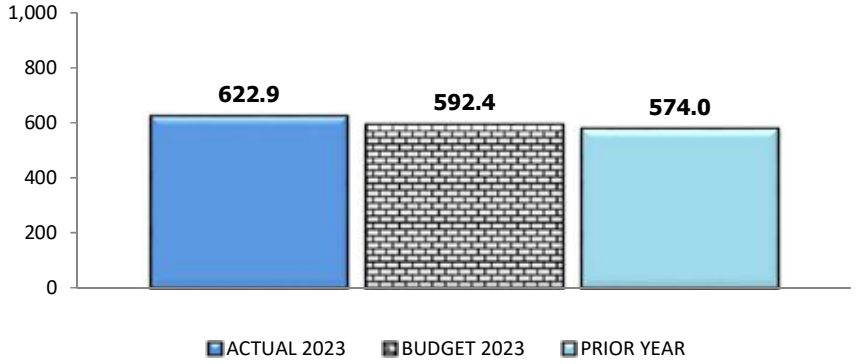
Average Daily Census - Current Month



Adjusted Patient Days - YTD



Average Daily Census - YTD



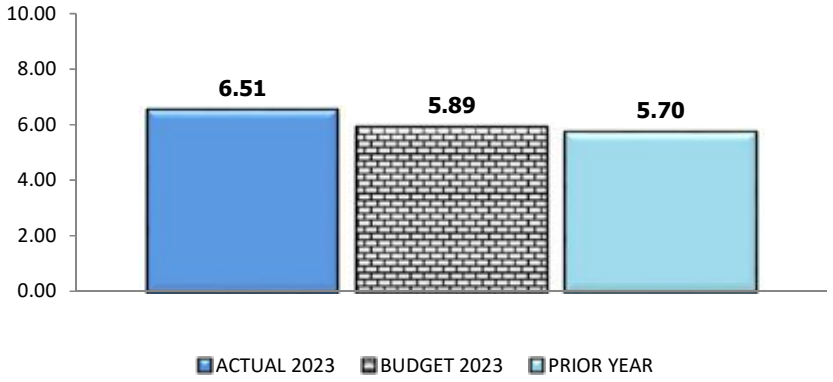
Harris Health System

Statistical Highlights

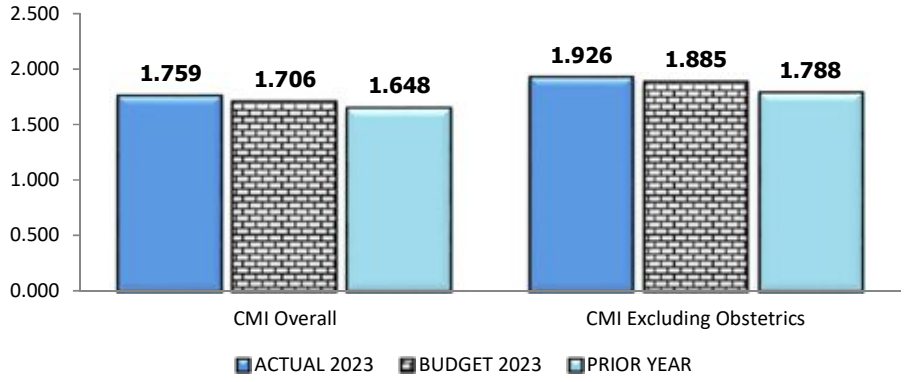
May FY 2023

Inpatient ALOS - CM	Inpatient ALOS - YTD	Case Mix Index (CMI) - CM		Case Mix Index (CMI) - YTD	
		Overall	Excl. Obstetrics	Overall	Excl. Obstetrics
6.51	6.23	1.759	1.926	1.707	1.880

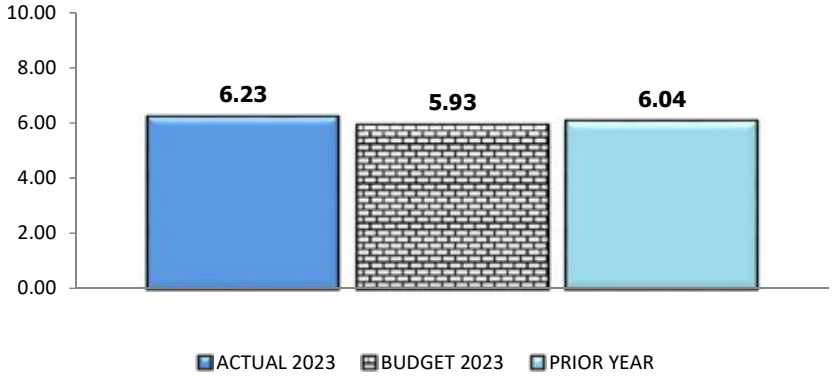
Inpatient ALOS - Current Month



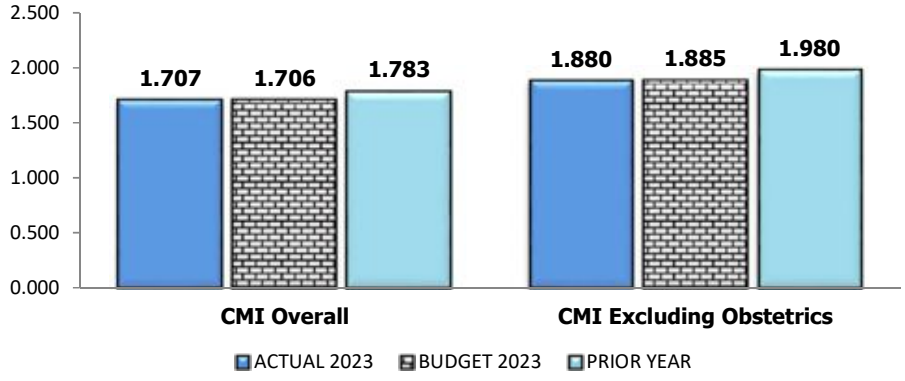
Case Mix Index - Current Month



Inpatient ALOS - YTD



Case Mix Index - YTD



Harris Health System

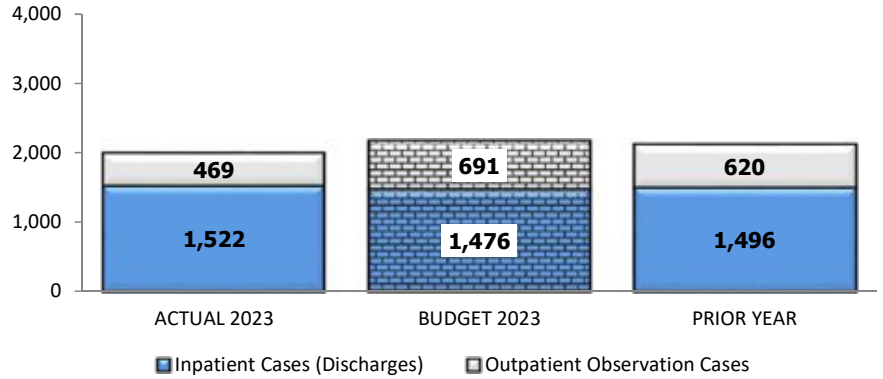
Statistical Highlights - Cases Occupying Beds

May FY 2023

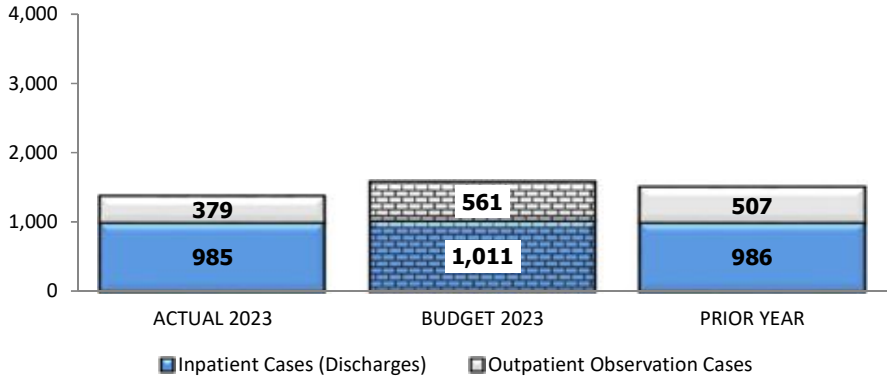
BT Cases Occupying Beds - CM			BT Cases Occupying Beds - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year
1,991	2,167	2,116	16,306	17,008	16,322

LBJ Cases Occupying Beds - CM			LBJ Cases Occupying Beds - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year
1,364	1,572	1,493	11,150	12,008	11,157

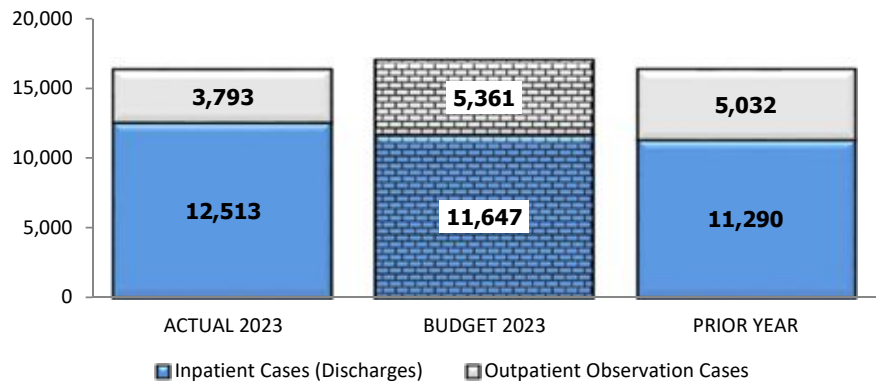
Ben Taub Cases - Current Month



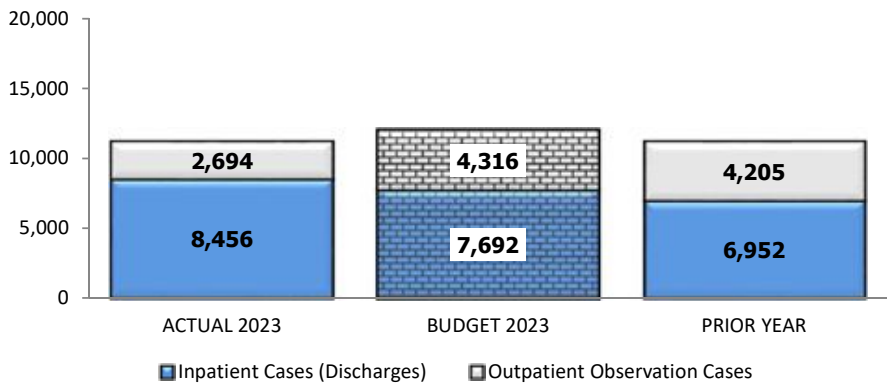
Lyndon B. Johnson Cases - Current Month



Ben Taub Cases - YTD



Lyndon B. Johnson Cases - YTD



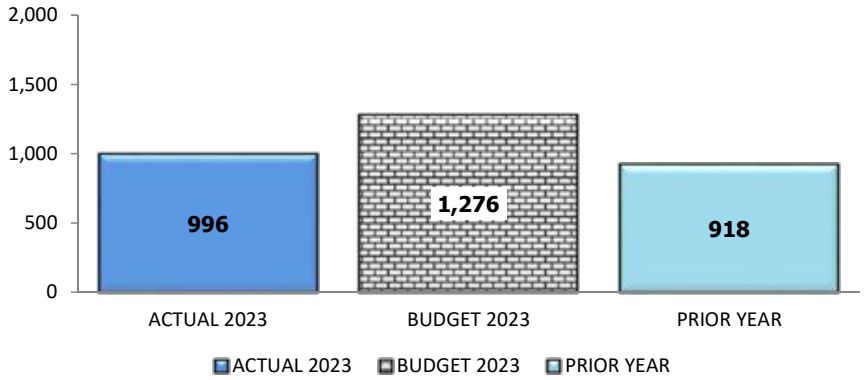
Harris Health System

Statistical Highlights - Surgery Cases

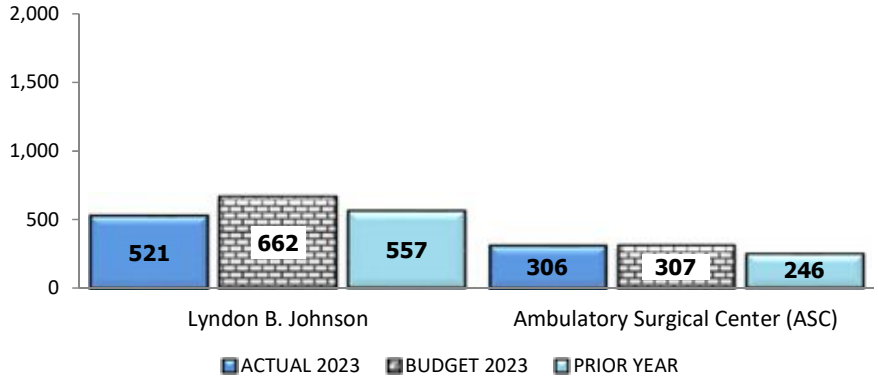
May FY 2023

BT Surgery Cases - CM			BT Surgery Cases - YTD			LBJ Surgery Cases - CM			LBJ Surgery Cases - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
996	1,276	918	7,512	9,179	6,638	827	969	803	6,275	6,864	5,838

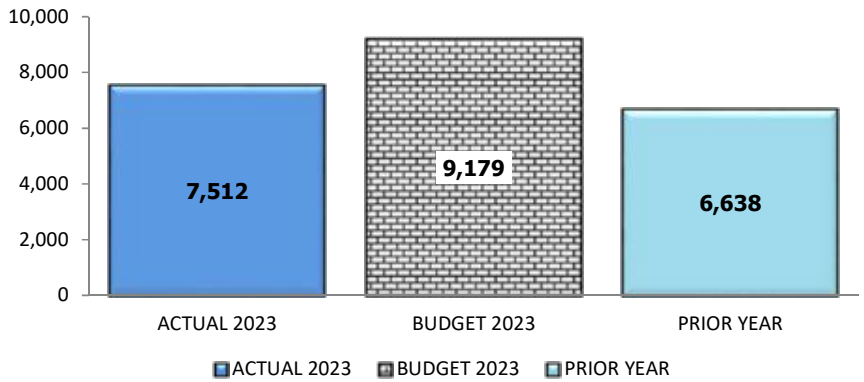
Ben Taub OR Cases - Current Month



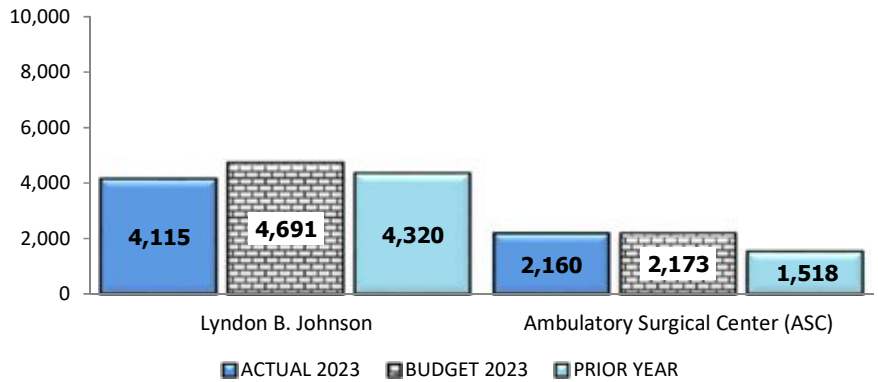
Lyndon B. Johnson OR Cases - Current Month



Ben Taub OR Cases - YTD



Lyndon B. Johnson OR Cases - YTD



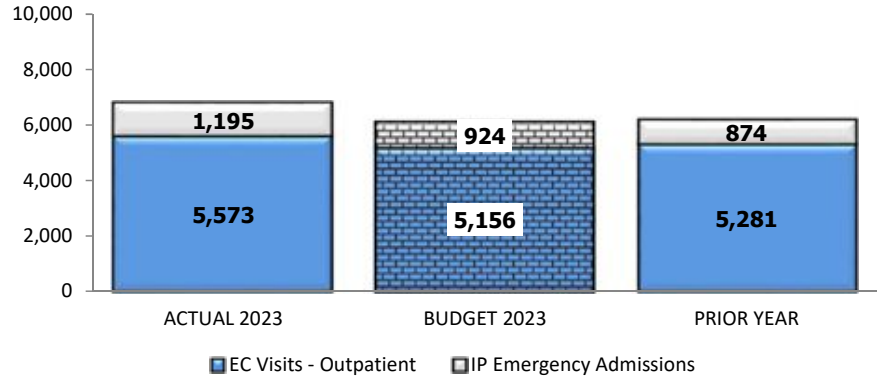
Harris Health System

Statistical Highlights - Emergency Room Visits

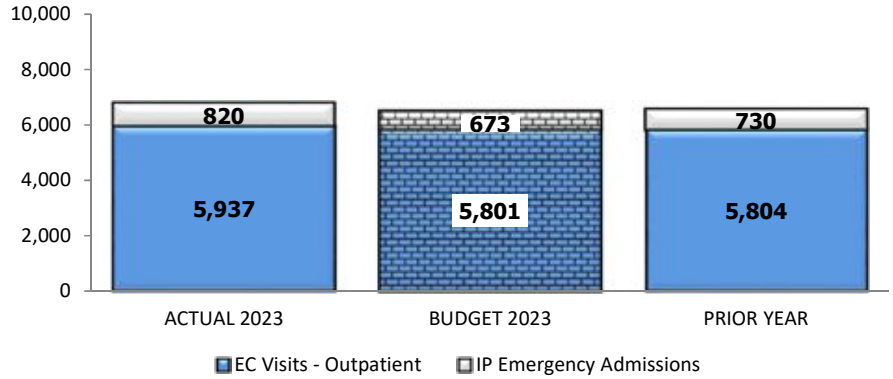
May FY 2023

BT Emergency Visits - CM			BT Emergency Visits - YTD			LBJ Emergency Visits - CM			LBJ Emergency Visits - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
6,768	6,080	6,155	49,444	50,149	48,337	6,757	6,474	6,534	51,893	51,633	48,542

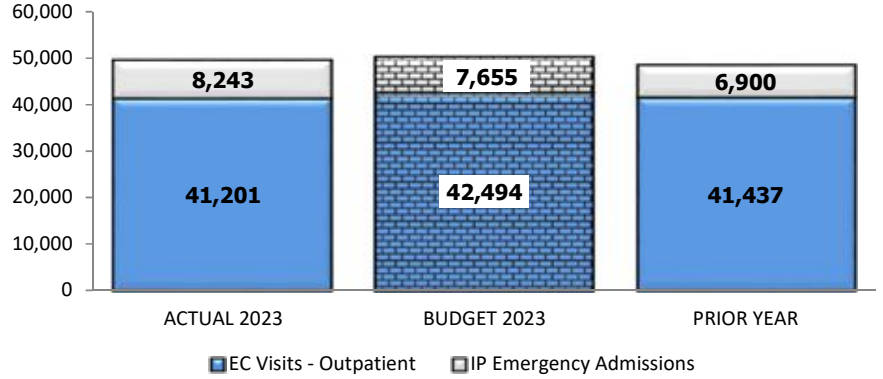
Ben Taub EC Visits - Current Month



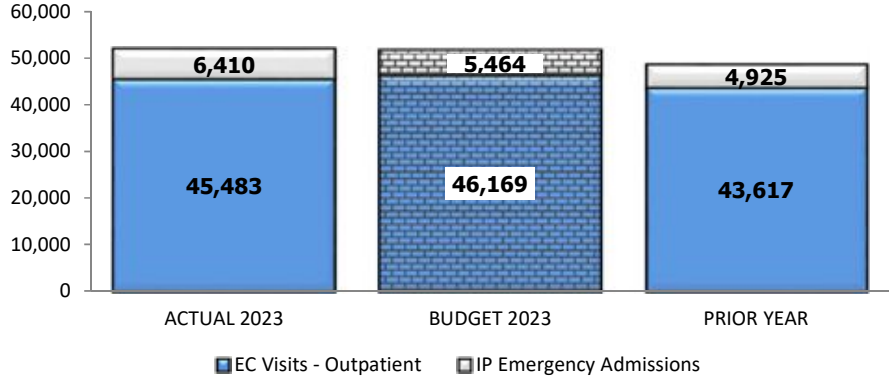
Lyndon B. Johnson EC Visits - Current Month



Ben Taub EC Visits - YTD



Lyndon B. Johnson EC Visits - YTD

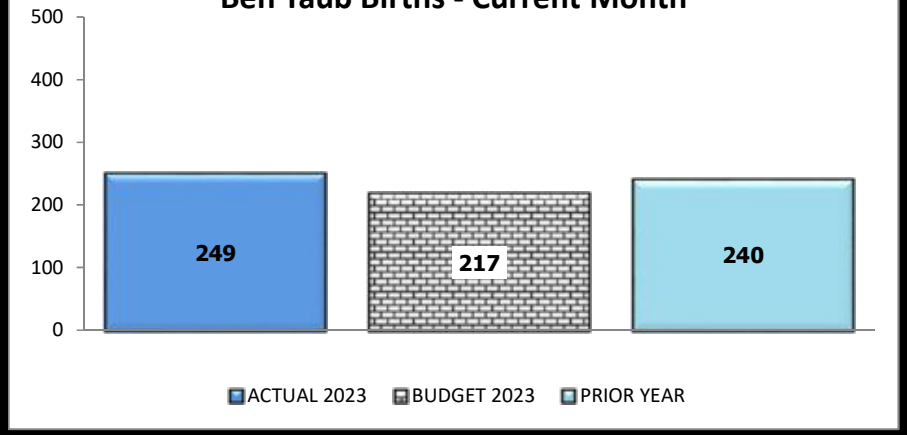


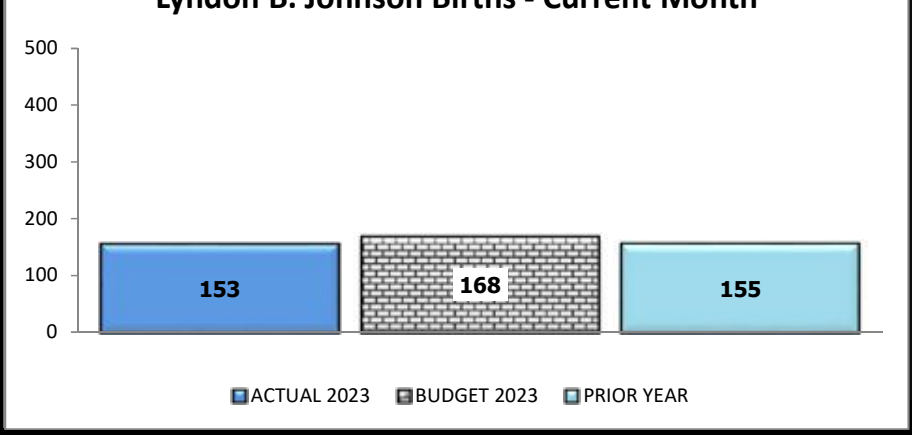
Harris Health System

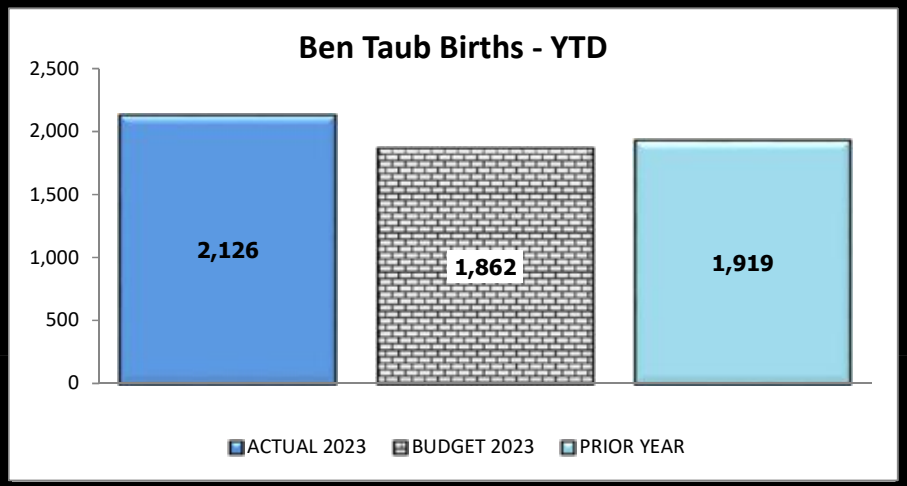
Statistical Highlights - Births

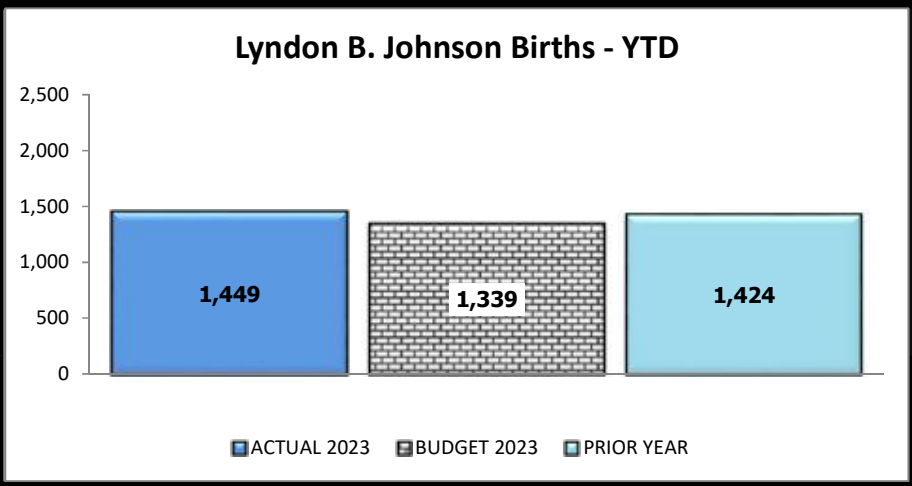
May FY 2023

BT Births - CM			BT Births - YTD			LBJ Births - CM			LBJ Births - YTD		
Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Actual	Budget	Prior Year
249	217	240	2,126	1,862	1,919	153	168	155	1,449	1,339	1,424









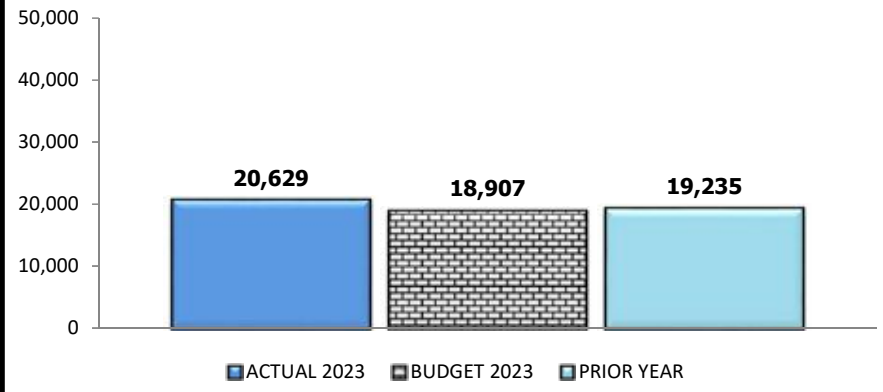
Harris Health System

Statistical Highlights - Adjusted Patient Days

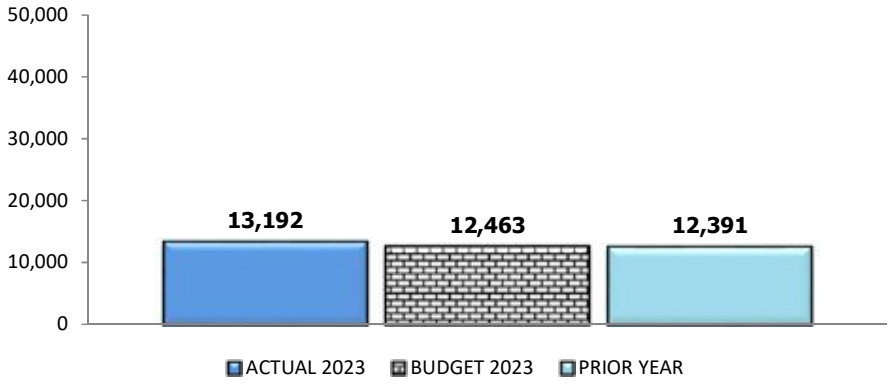
May FY 2023

BT Adjusted Patient Days - CM	BT Adjusted Patient Days - YTD	LBJ Adjusted Patient Days - CM	LBJ Adjusted Patient Days - YTD
20,629	163,996	13,192	104,293

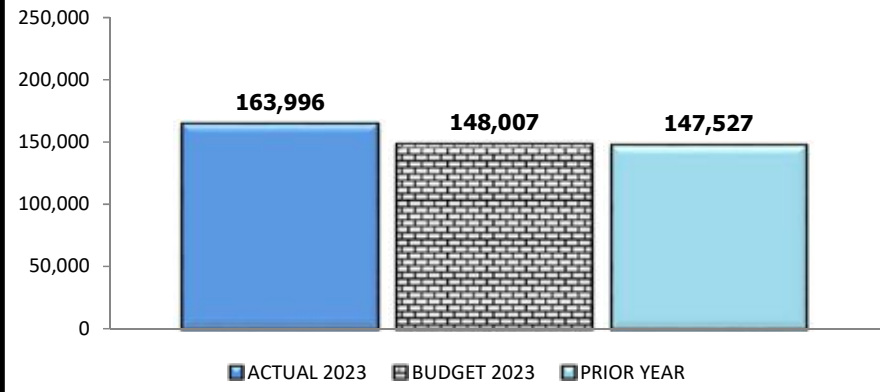
Ben Taub APD - Current Month



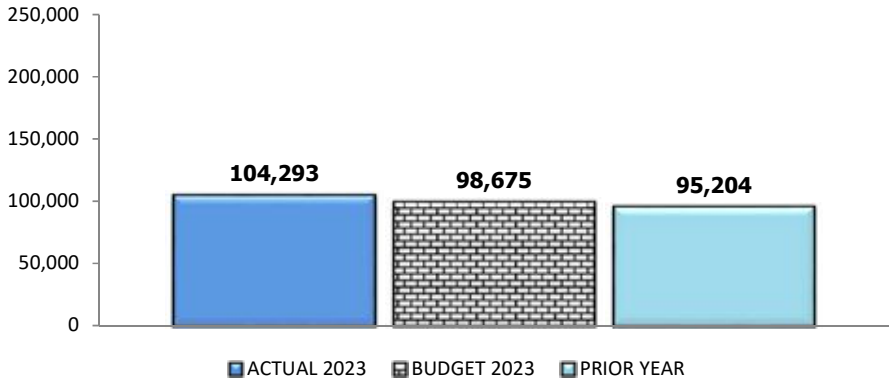
Lyndon B. Johnson APD - Current Month



Ben Taub APD - YTD



Lyndon B. Johnson APD - YTD



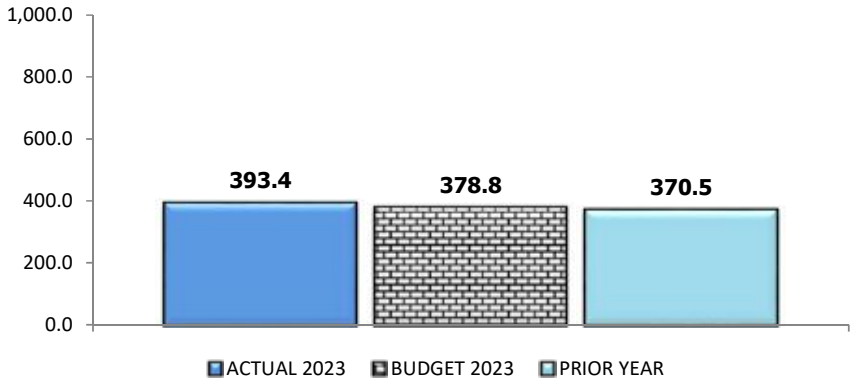
Harris Health System

Statistical Highlights - Average Daily Census (ADC)

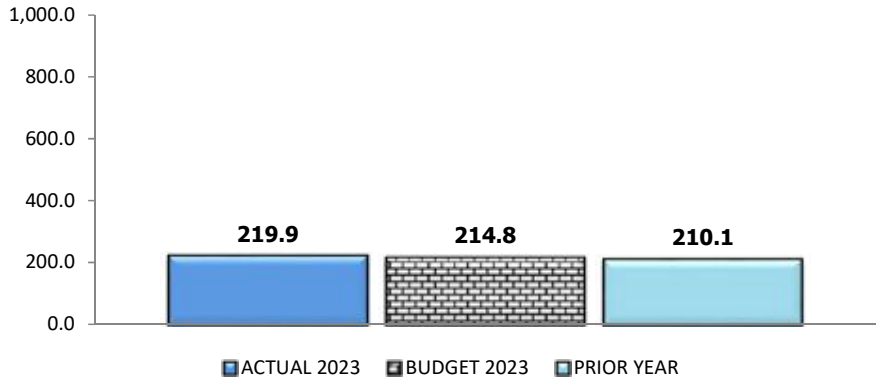
May FY 2023

BT Average Daily Census - CM	BT Average Daily Census - YTD	LBJ Average Daily Census - CM	LBJ Average Daily Census - YTD
393.4	400.6	219.9	222.3

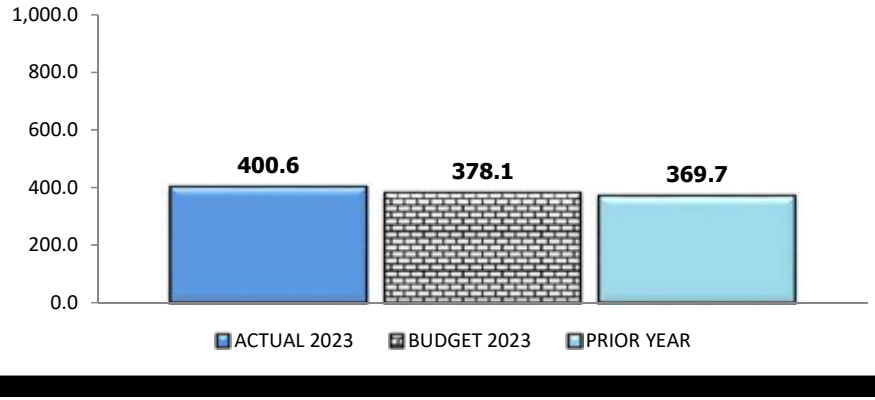
Ben Taub ADC - Current Month



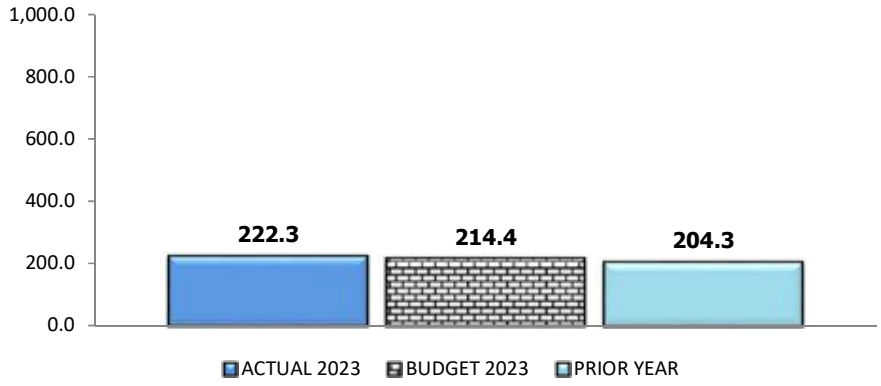
Lyndon B. Johnson ADC - Current Month



Ben Taub ADC - YTD



Lyndon B. Johnson ADC - YTD



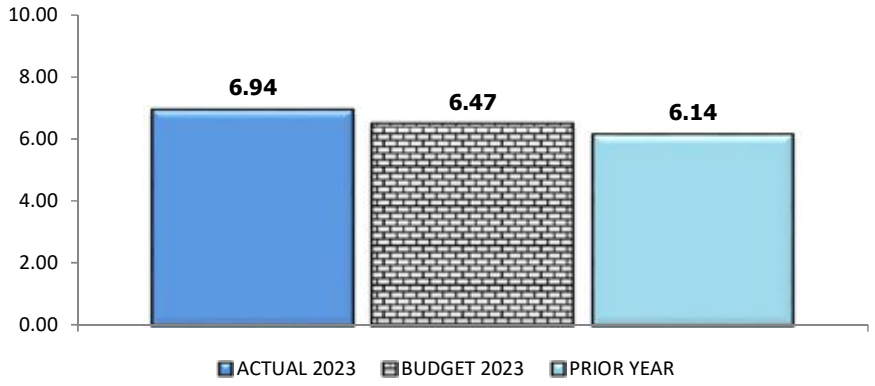
Harris Health System

Statistical Highlights - Inpatient Average Length of Stay (ALOS)

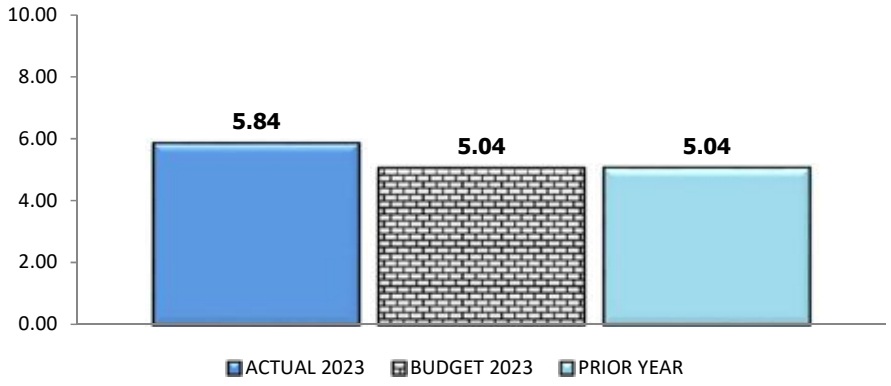
May FY 2023

BT Inpatient ALOS - CM	BT Inpatient ALOS - YTD	LBJ Inpatient ALOS - CM	LBJ Inpatient ALOS - YTD
6.94	6.74	5.84	5.46

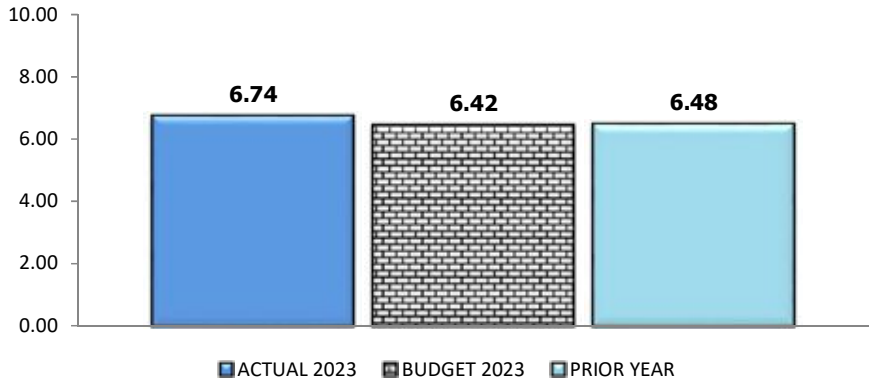
Ben Taub ALOS - Current Month



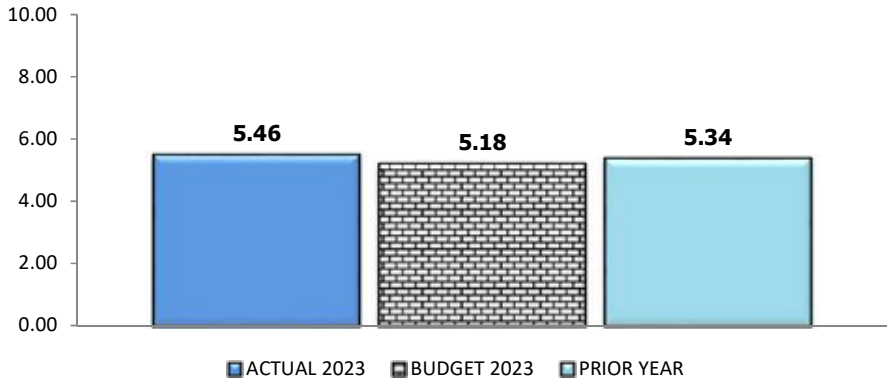
Lyndon B. Johnson ALOS - Current Month



Ben Taub ALOS - YTD



Lyndon B. Johnson ALOS - YTD



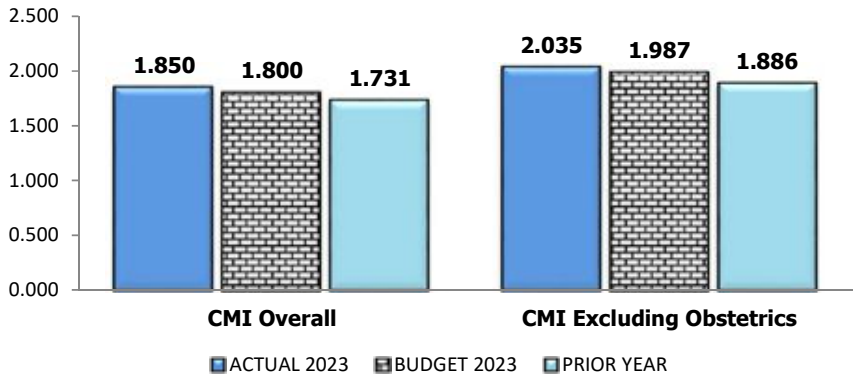
Harris Health System

Statistical Highlights - Case Mix Index (CMI)

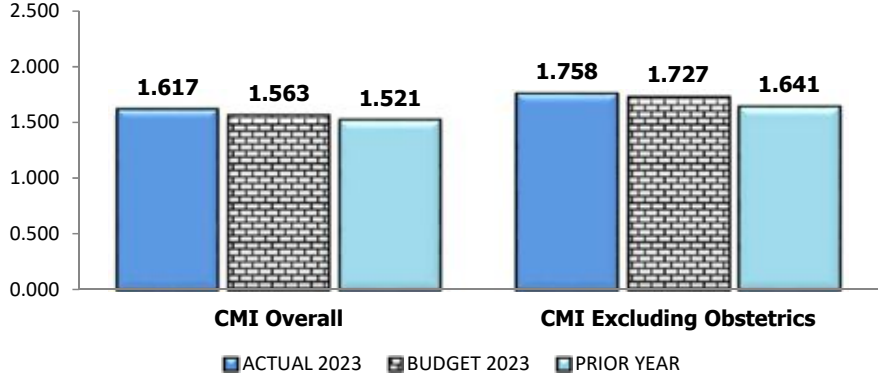
May FY 2023

BT Case Mix Index (CMI) - CM		BT Case Mix Index (CMI) - YTD		LBJ Case Mix Index (CMI) - CM		LBJ Case Mix Index (CMI) - YTD	
Overall	Excl. Obstetrics	Overall	Excl. Obstetrics	Overall	Excl. Obstetrics	Overall	Excl. Obstetrics
1.850	2.035	1.827	2.018	1.617	1.758	1.531	1.676

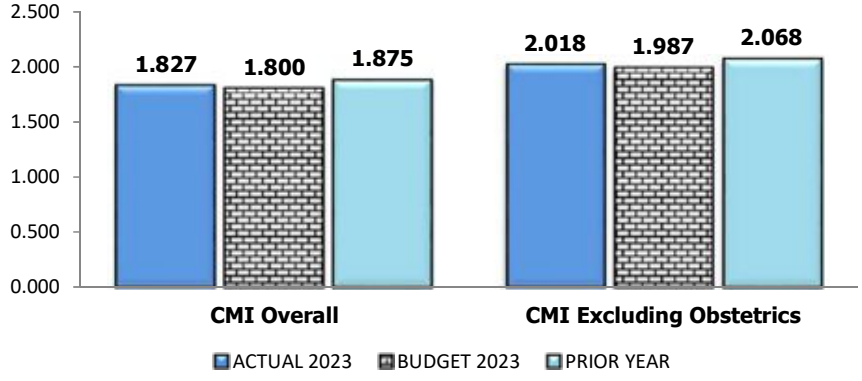
Ben Taub CMI - Current Month



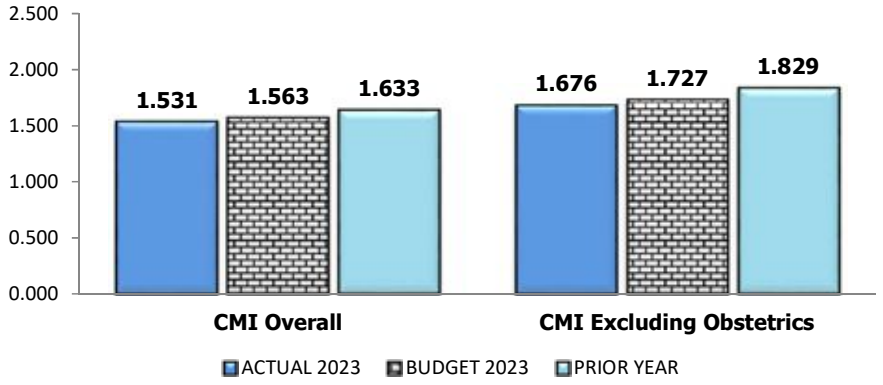
Lyndon B. Johnson CMI - Current Month



Ben Taub CMI - YTD



Lyndon B. Johnson CMI - YTD



Thursday, July 27, 2023

Consideration of Approval of a Settlement Agreement Between Harris County Hospital District d/b/a Harris Health System and Harris County for Epic Licenses and Related Support Services Rendered in 2022 to the Harris County Public Health Department

Since August 2016, Harris Health has extended its Epic electronic health record software and related support services to the Harris County Public Health Department (HCPH) through an interlocal agreement that obligated HCPH to pay annual subscription and support fees. The interlocal memorializing these services expired on August 2021, but Harris Health continued to provide HCPH with services during the negotiation of a new interlocal agreement.

The County is willing to pay the fees owed to Harris Health for services rendered during the negotiation period. However, as some of services were provided in County Fiscal Year 2022 (October 1, 2021 to February 28, 2022), they were not included in the County's Fiscal Year 2023 budget, and a settlement agreement must be executed. The Board's approval of a settlement agreement will enable Harris Health to receive full payment of the subscription and support fees owed by HCPH. Administration recommends approval of the settlement agreement.

Thursday, July 27, 2023

Consideration of Approval of the First Amendment to the Employment Agreement Between Lisa Wright, Community Health Choice, Inc., Community Health Choice, Texas, Inc., and Harris County Hospital District d/b/a Harris Health System

Pursuant to Community's Bylaws, Recommendation is made to Harris Health System's Board of Trustees for Consideration of Approval to Amend the Employment Agreement Between Lisa Wright, Community Health Choice, Inc., Community Health Choice, Texas, Inc., and Harris County Hospital District d/b/a Harris Health System.

The Board of Directors for Community Health Choice, Inc. and Community Health Choice Texas, Inc. has approved the Amendment of the Employment Agreement Between Lisa Wright, Community Health Choice, Inc., Community Health Choice, Texas, Inc., and Harris County Hospital District d/b/a Harris Health System.

Thank you.

- Pages 154 - 155 Were Intentionally Left Blank -

Thursday, July 27, 2023

Consideration of Approval of Revision to the Governance Committee Charter to Include Board of Trustees Officer Nominations Function

Harris Health Board of Trustees

Governance Committee Charter

The Governance Committee ("Committee") shall comprise at least three (3) voting members appointed by the Chair of the Board of Trustees ("Board"), one of whom shall be designated by the Board Chair as Chair of the Committee. The Chair of the Board shall be an ex-officio non-voting member of the Committee. The Committee shall assist the Harris Health Board of Trustees fulfill its fiduciary obligations related to Board governance. The Committee shall meet a minimumof two (2) times per year and may hold additional meetings as needed to fulfill its responsibilities as described in the Committee Charter and as called by the Governance Committee Chair. The meetings of the Committee are open to the public and shall be conducted in accordance with the Texas Open meetings Act. The Committee may, when necessary, meet in closed executive session as allowed by the Texas Open Meetings Act. The agendas, minutes and materials submitted to the Committee are public information to the extent provided by applicable laws. The Committee shall receive regular reporting to ensure it is appropriately informed and has access to and visibility to pertinent information and metrics to carry out is responsibilities. The Committee shall not have authority to take final action and Committee recommendations are subject to Harris Health Board of Trustee review and final approval.

The Committee shall:

a. Review relevant amendments to the Harris Health's bylaws and committee charters prior to Board approval.

b. Review and make recommendations for revisions to Board of Trustees related policies and procedures including Standard Operating Procedures and Conflicts of Interest Policy.

c. Review and make recommendations about orientation for new Board members, designed ensure that new members have a comprehensive understanding of the organization and have sufficient background and information to fulfill their responsibilities in governing the organization.

d. Make recommendations related to ongoing education program for Board members including governance best practices to ensure that Board members continue to have the appropriate skills and engagement level to positively impact the Harris Health.

e. Discuss and make recommendations on how and what materials are presented to the Board of Trustees for review.

f. Lead and facilitate periodic Board self-assessments to ensure superior board performance and overall trust in effectiveness.

g. Discuss and make recommendations on the nominations process for the Annual Election of Board Officers and solicit interest in Board Officer positions prior to each Annual Election. The Committee will not make recommendations to the Board on nominees for the Board Officer positions ~~and~~ nor will the Committee make determinations as to candidate eligibility.

Thursday, July 27, 2023

Consideration of Approval to Acquire a 9,321 Sq. Ft tract of Land at 1600 Keene St. for the Casa de Amigos Health Center Expansion Project, Houston, Harris County, Texas

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Administration requests Board of Trustees approve the acquisition of 9,321 square feet of land located at 1600 Keene Street, Houston, TX for the Casa de Amigos Health Center Expansion project for $587,223 based on the Settlement Recommendation of the Harris County Real Property Division.

Administrative Settlement Recommendation Form

Project Name	Casa de Amigos Health Center Expansion						
Tract	2	Precinct	2	Owner	Jesica Holley	Sq. Ft.	9,321
Group	Harris Health	UPIN	23036MF2VJ01	Acres	0.214	Mand / Vol	Mandatory
PM	Brian Pitre			Estate	Fee Simple	Acq. Type	Purchase

Appraisal Information

	Value per Unit	Units	Discount	Improvement Values	Subtotal
Land:	$35.00	9,321	100.00%		$326,235.00
Improvements	Cost to Demo Abandoned Building			-$38,000.00	
				Total Improvements →	-$38,000.00
Damages					
Cost to Cure					
				Total Cost to Cure →	$0.00
Grand Total					$288,235.00

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Date Sold	9/2/2022	8/19/2022	3/31/2022	4/19/2021		
Acres	0.1148	0.1538	0.2290	0.8650		
Sqft	5,000	6,700	9,975	37,678		
Unit Value	$52.40	$63.06	$43.61	$45.12		
Adjustments	-15.00%	-10.00%	-20.00%	-30.00%		
Flood Zone?	No	No	No	No		

Owner's Counteroffer

	Value per Unit	Units	Discount	Improvement Values	Subtotal
Land:	$63.00	9,321	100.00%		$587,223.00
Improvements					
				Total Improvements →	$0.00
Damages					
Cost to Cure					
				Total Cost to Cure →	$0.00
Grand Total					$587,223.00

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6
Date Sold	2/27/2023	12/26/2022	2/21/2023	8/19/2022		
Acres	0.1250	0.1440	0.2300	0.1538		
Sqft	5,450	6,250	10,000	6,700		
Unit Value	$97.14	$83.20	$67.50	$63.06		
Adjustments	-5.00%	-5.00%	-5.00%	-5.00%		
Flood Zone?	No	No	No	No		

Percentage Increase	103.73%
Amount Change	$298,988.00

Sheet revised April 25, 2023

Explanation of Recommendation

The appraisal completed by Harris County on hehalf of Harris Health System has sales ranging between $43.61 per square feet and $63.06 per square feet. The appraiser noted based on the location and physical characteristics of the subject property, a value at the lower end of the adjusted comparable scale was warranted. The subject property is located on an unpaved road and consists of an abandoned building which will need to be demolished.

The owner provided a counteroffer with comparable sales ranging between $63.06 per square feet and $97.14 per square feet and concluding the value of the property should be $90.00 per square feet. Comparable 1 is located in a majority residential area where the subject property is located in a majority industrial area. Comparable 4 was also used in the County's appraisal (Comparable 2), but she adjusted the sales price differently than our appraiser.

The owner is valuing the property based on comparable sales she concludes occurred within the past 12 months with features similar to the subject property. The owner concludes her property has a similar value per square foot as the least expensive comparable at $63/square foot.

Upon review of the presented information, Real Property Division believes the owner's second counteroffer of $587,223.00 at $63.00 per square foot is more in line with sales and property values within proximity of the subject property. This counteroffer is solely based on sales in the area as opposed to the first counteroffer which was based on speculation and not varifiable data. Real Property Division recommends to Harris Health System to approve the presented counteroffer.

The Counteroffer as presented in the amount of **$587,223.00**

☑ Approval Recommended ☐ Disapproval Recommended

RPD Agent Name	RPD Agent Signature	Date
Asami Gold	Asami Gold	June 23, 2023

RPD Team Reviewer Name	RPD Team Reviewer Signature	Date
Ryan Lewis		June 23, 2023

RPD Director	RPD Director Signature	Date
Albrina Coleman		June 23, 2023

Harris Health	Harris Health Signature	Date

Sheet revised April 25, 2023

Counteroffer

Dear Harris County,

The offer I will accept, relative to the acquisition of fee simple interest in 0.2140 acre(s) of my property, is $587,223. I want to emphasize this value represents the minimum acceptable value for my property. It is crucial to acknowledge that the true value of my property exceeds the proposed compensation, as previously supported by documentation I have provided.

The valuation of $587,223 corresponds to a rate of $63 per square foot, which is the minimum sales price per square foot of comparable commercial property sold within the past 12 months. I have independently arrived at this decision, aiming to expedite a prompt and amicable resolution.

Thank you for your attention to this matter. I genuinely hope that we can find a resolution between our parties without the need for further legal involvement.

Sincerely,

Jesica Holley

205 Marie St, Houston TX 77009

(256) 457-9208

Jesica.holley@gmail.com

From the market data available, we used the relevant land sales in the market area which were adjusted based on pertinent elements of comparison. The analysis of the sales in our set resulted in a range of unit pricing from which our value conclusion is drawn. The following table summarizes the unit prices resulting from our analysis:

Land Sale Statistics		
Metric	**Unadjusted**	**Adjusted**
Minimum Sale Price ($/Sqft)	$ 63.06	$ 63.06
Maximum Sale Price ($/Sqft)	$ 97.14	$ 97.14
Median Sale Price ($/Sqft)	$ 75.35	$ 75.35
Mean Sale Price ($/Sqft)	$ 77.73	$ 77.73

The subject site is located 0.5 miles from the University of Houston Downtown campus. This site is also located 0.5 miles from the Buffalo Bayou trail. This site is in a prime location with a breathtaking view of the downtown skyline. This property also has excellent access to the transit system and is in a bikeable area.
Based on the subject location and physical characteristics, a value at the top of the adjusted range is considered reasonable. However, the lowest offer I am willing to accept is the value at the bottom of the range. This value is $63.00 per square foot. This indicates a market land value of $587,233.00. The calculation can be seen below.

Lowest Land Value Indication					
Market Value Opinion					
9321	Sqft	x	$ 63.00	PSF =	$587,223.00

The tract is improved with an abandoned building. The building can be renovated. Harris Central Appraisal District has valued the 6,000 sqft structure at $92,065. However, the lowest offer I am willing to take includes a value of $0 for this improvement.

Lowest Market Value - Subject Whole Property	
Land Value	$ 587,223.00
Improvement Value	$ -
Total Market Value	$ 587,223.00

To reach , the lowest offer I am willing to take, we relied on the sales comparison approach – vacant land. The sales and market data represents recent transactions and market activity in the immediate vicinity of the subject providing good support and indication of value. Based on the sales comparison approach, the lowest offer I am willing to take for the whole property is as follows:

Lowest Total Compensation	
Whole Property	$ 587,223.00

Land Sales Adjustment Grid					
	Subject (1600 Keene St)	**Sale 1 (2710 Morrison St)**	**Sale 2 (2211 Congress St)**	**Sale 3 (1405 Spring St)**	**Sale 4 (1116 Dart St)**
Date of Value	3/27/2023	2/27/2023	12/16/2023	2/21/2023	8/19/2022
Unadjusted Sale Price		$ 510,000	$ 520,000	$ 725,000	$ 422,500
Acres	0.214	0.125	0.144	0.23	0.1538
Square Feet	9321	5450	6250	10000	6700
Unadjusted Sale Price per Gross Acre		**$ 4,076,739**	**$ 3,623,693**	**$ 2,940,300**	**$ 2,747,074**
Unadjusted Sale Price per Gross Sqft		**$ 97.14**	**$ 83.20**	**$ 67.50**	**$ 63.06**
Transaction Adjustments		0%	0%	0%	0%
Physical Adjustments					
Location - All in Commerical/Residential Locations only difference is paved street		0%	0%	0%	0%
Size - All relatively the same size		0%	0%	0%	0%
Shape/Depth - All Rectangular		0%	0%	0%	0%
	Corner	Mid Block	Mid Block	Corner	Mid Block
Corner Exposure		0%	0%	0%	0%
Adjusted Sales Price		**$ 97.14**	**$ 83.20**	**$ 67.50**	**$ 63.06**

Land Comparable 1		
Property Identification		
Address	2710 Morrison Street Houston TX 77009	
Transacation Data		
Sale Status		Closed
Sale Date		2/27/2023
Sales Price	$	510,000

Adjusted Sales Price Indicators			**Property Description**				
Price per Gross Acre	$	4,076,739	Proposed Use	Residential Development			
Price per Gross Sf	$	97.14	Gross Land Area	0.125	acres	5450	sqft
Price per Usable Acre	$	4,076,739	Usable Land Area	0.125	acres	5450	sqft
Price per Usable Sf	$	97.14					

Remarks

Residential lot surrounds by growth and development that could be used as a commercial lot with success. Access to Buffalo Bayou Trail.

Land Comparable 2							
Property Identification							
Address	2211 Congress Street Houston TX 77003						
Transacation Data							
Sale Status		Closed					
Sale Date		12/16/2023					
Sales Price	$	520,000					
Adjusted Sales Price Indicators			**Property Description**				
Price per Gross Acre	$	3,623,693	Proposed Use	Residential Development			
Price per Gross Sf	$	83.20	Gross Land Area	0.144	acres	6250	sqft
Price per Usable Acre	$	3,623,693	Usable Land Area	0.144	acres	6250	sqft
Price per Usable Sf	$	83.20					
Remarks							
Commericial lot with close proximity to downtown similar to my lot. That can used to build a restaurant/ living space structure as I had planned.							

Land Comparable 3							
Property Identification							
Address	1405 Spring Street Houston TX 77007						
Transacation Data							
Sale Status		Closed					
Sale Date		2/21/2023					
Sales Price	$	725,000					
Adjusted Sales Price Indicators			**Property Description**				
Price per Gross Acre	$	2,940,300	Proposed Use	Residential Development			
Price per Gross Sf	$	67.50	Gross Land Area	0.230	acres	10000	sqft
Price per Usable Acre	$	2,940,300	Usable Land Area	0.230	acres	10000	sqft
Price per Usable Sf	$	67.50					

Remarks
Commericial lot with close proximity to downtown similar to my lot. That can used to build a restaurant/ living space structure as I had planned.

Property Identification

Address	1116 Dart Street
City County State Zip	Houston, Harris County, Texas 77007
MSA	Houston
Tax ID	1399720010002, 1399720010003
VPA Property/Sale ID	11284966/1624670

Transaction Data

Sale Status	Closed
Sale Date	8/19/2022
Grantor/Seller	Houston Home Builders, LLC
Grantee/Buyer	Sandcastle Homes, Inc.
Recording Number	RP-2022-429309
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	52
Sales Price	$422,500
Post-Sale Exp. Adj.	$0
Non-Realty Items Adj.	$0
Adjusted Sales Price	$422,500

Adjusted Sales Price Indicators

Price per Gross Acre	$2,746,896
Price per Gross SF	$63.06
Price per Usable Acre	$2,746,896
Price per Usable SF	$63.06

Property Description

Gross Land Area	0.154 Acres/6,700 SF
Usable Land Area	0.154 Acres/6,700 SF
Frontage Feet	35
No. of Lots	2
Visibility	Average
Corner/Interior	Mid-Block
Shape	Rectangular
Topography	Level
Utilities	Public utilities available
Drainage	Assumed adequate
Flood Hazard Zone	Zone X (unshaded)
Zoning Code	Not Zoned

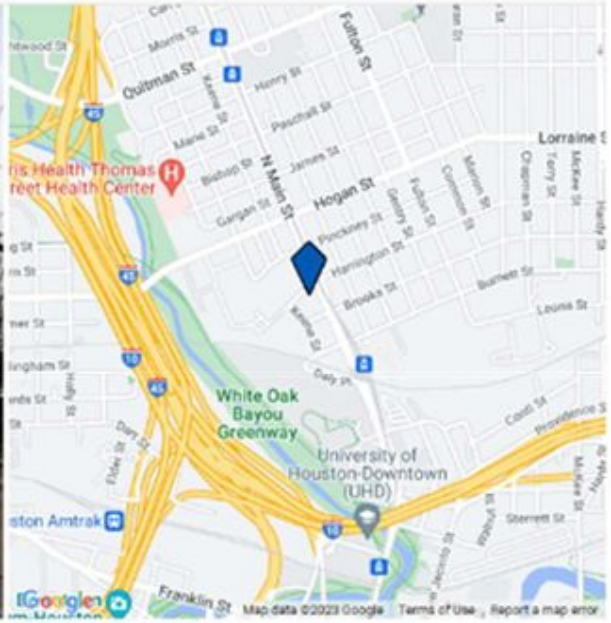
Remarks

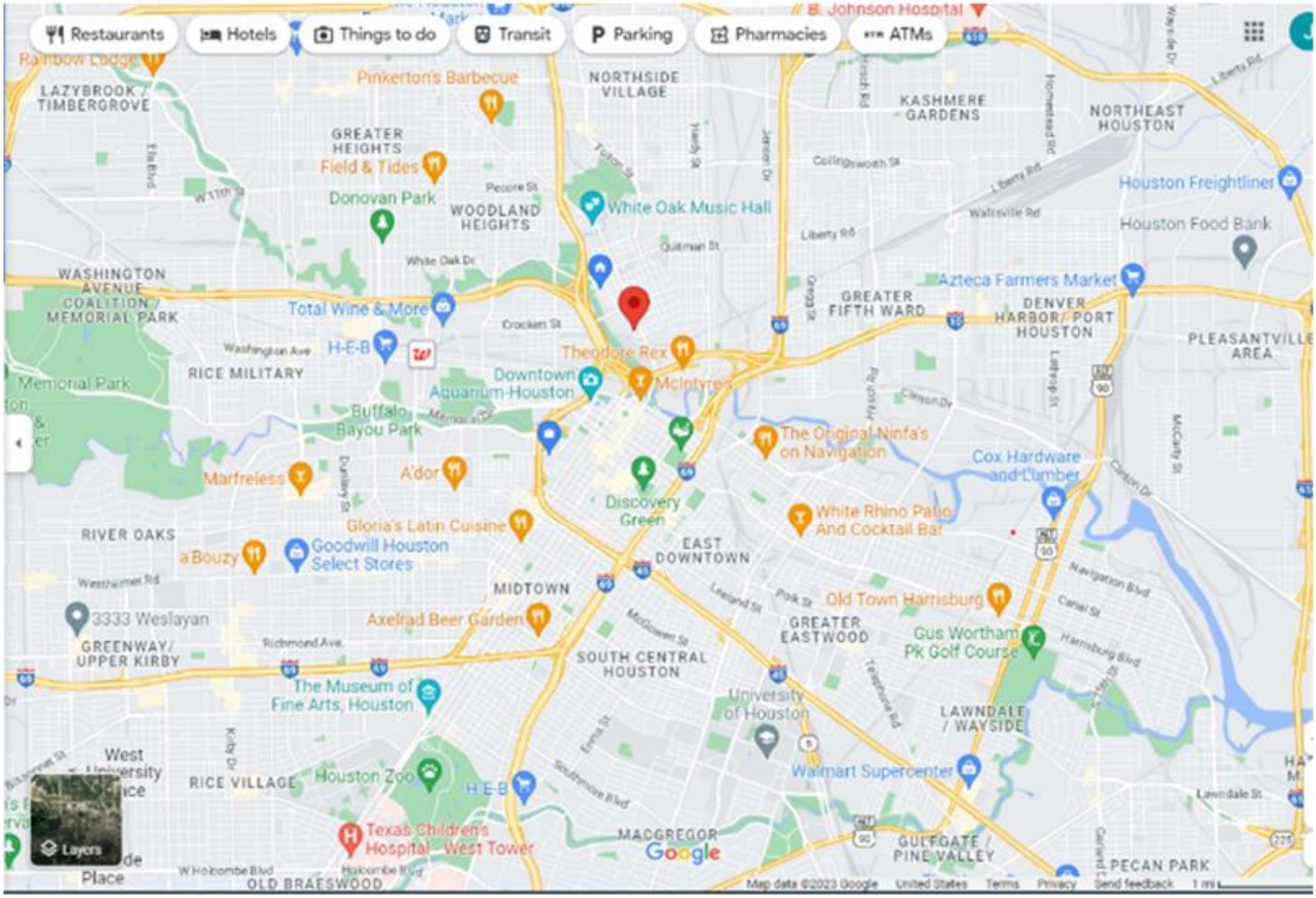
This is the sale of two adjacent lots, previously developed, but cleared for new development. The area consists primarily of single family and multi family development.

1600 Keene St
Houston, TX 77009

9,306 SQFT LOT

Industrial Properties / Texas / Houston / 1600 Keene St, Houston, TX 77009

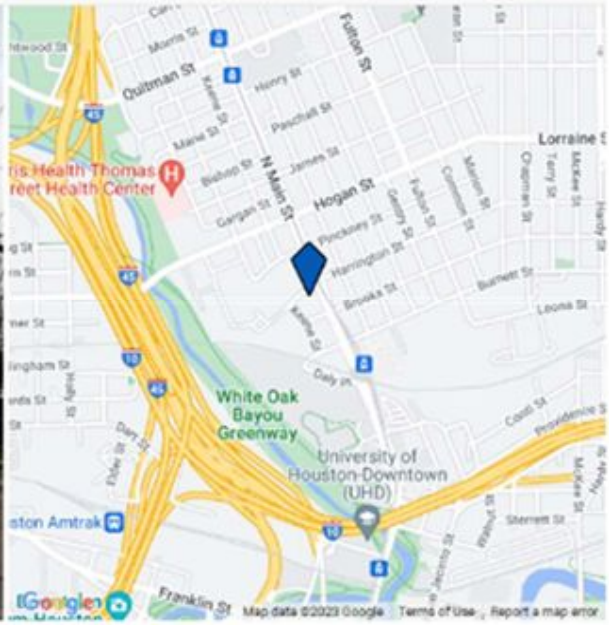




1600 Keene St
Houston, TX 77009

9,306 SQFT LOT

Industrial Properties / Texas / Houston / 1600 Keene St, Houston, TX 77009



INVESTMENT HIGHLIGHTS

- This is a fire damaged building. New owner can refurbish or tear down existing building based on usage.

PROPERTY FACTS

Property Type	Industrial	Year Built	1920
Property Subtype	Manufacturing	Tenancy	Single
Building Class	C	Parking Ratio	8.5/1,000 SF
Lot Size	0.21 AC	No. Dock-High Doors/Loading	4
Rentable Building Area	5,885 SF	No. Drive In/Grade-Level Doors	8
No. Stories	1		

AMENITIES

- Fenced Lot

TRANSPORTATION

TRANSIT/SUBWAY

Burnett Transit Center/Casa De Amigos METRO	5 min walk	0.2 mi
Quitman/Near Northside Transit Stop METRO	12 min walk	0.6 mi
UH-Downtown Transit Stop METRO	12 min walk	0.6 mi
Preston Transit Stop METRO	19 min walk	1.0 mi

1600 Keene Street

Northside Village, Houston, 77009

Commute to **Downtown Houston**

4 min 19 min 9 min 32 min View Routes

Favorite **Map** **Nearby Apartments**

Looking for a home for sale in Houston?

Walk Score 64

Somewhat Walkable

Some errands can be accomplished on foot.

Transit Score 80

Excellent Transit

Transit is convenient for most trips.

Bike Score 63

Bikeable

Flat as a pancake, minimal bike lanes.

Score Details

Thursday, July 27, 2023

Consideration of Approval to Amend the Lease with India House Houston for the Sareen Clinic located at 8888 West Bellfort, Houston, Texas 77031

Administration recommends Board of Trustees approve an amendment to extend the Sareen Clinic lease for 5-years with India House Houston located at 8888 West Bellfort, Houston, Texas 77031. The lease will commence on November 1, 2023 through October 31, 2028 at an annual rate of $150,437.28.

Fact Sheet

Purpose of Lease: Ambulatory Care Clinic

Lessor: India House Houston

Lessee: Harris Health System

Location of Lease Space: 8888 West Bellfort
Houston, Texas 77031

Lease Space: Approximately 7,477 square feet

Lease Term: 5 years + (1) 5-year option

Lease Terms	Monthly Payment	Est. Monthly Operating Expenses	Annual Payment	Base Lease Rate/SF
Nov. 1, 2023 - Oct. 31, 2024	$12,536.44	Included	$150,437.28	$20.12
Nov. 1, 2024 - Oct. 31, 2025	$12,536.44	Included	$150,437.28	$20.12
Nov. 1, 2025 - Oct. 31, 2026	$12,536.44	Included	$150,437.28	$20.12
Nov. 1, 2026 - Oct. 31, 2027	$12,536.44	Included	$150,437.28	$20.12
Nov. 1, 2027 - Oct. 31, 2028	$12,536.44	Included	$150,437.28	$20.12

Termination Option: Tenant may terminate the Lease Agreement on any anniversary of the commencement of the term of this Lease Agreement if either Tenant's Board of Trustees or the Harris County Commissioners Court in its sole discretion fails to approve, adequately fund or certify funds for this Lease Agreement, whether annually or otherwise, or if funding for this Agreement is removed or reduced and verification of such is provided to Landlord. Tenant agrees to provide at least 60 days prior written notice of any non-appropriation of or reduction in funding in the budget.

Thursday, July 27, 2023

Consideration of Approval to Amend the Lease with Harris County for the Thomas Street Health Center located at 2015 Thomas St., Houston, Texas 77009

Administration recommends Board of Trustees approve a 6th lease amendment with Harris County for the property at 2015 Thomas Street, Houston, TX 77009, which extends the Thomas Street Health Center lease through June 30, 2024 and reduce our occupancy to the first and second floors.

The extension will be utilized to temporarily relocate the LBJ Rehabilitation Department and provide needed space to facilitate expansion of the Emergency Department observation units.

Thursday, July 27, 2023

Consideration of Approval to Amend the Lease Agreement Between Community Health Choice, Inc. Community Health Choice, Texas, Inc. and SLS- South Loop, LLC for Office Space at 2636 South Loop, Houston, TX 77054

Pursuant to Community's Bylaws, Recommendation is made to Harris Health System's Board of Trustees for Consideration of Approval to Amend the Lease Agreement Between Community Health Choice, Inc., Community Health Choice, Texas, Inc., and SLS- South Loop, LLC for Office Space at 2636 South Loop, Houston, TX 77054.

The Board of Directors for Community Health Choice, Inc. and Community Health Choice Texas, Inc. has approved the Amendment to the Lease Agreement Between Community Health Choice, Inc., Community Health Choice, Texas, Inc., and SLS- South Loop, LLC for Office Space at 2636 South Loop, Houston, TX 77054.

Thank you.

Thursday, July 27, 2023

Consideration of Approval of a Fourth Amendment Between Harris Health System and The University of Texas Health Science Center at Houston ("UTHealth") to the Collaboration Agreement for Population Health Projects

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The Population Health Department is seeking approval of a fourth amendment to its five-year Collaboration Agreement with UTHealth for assessing patient health needs, designing and/or deploying evidence-based interventions, and evaluating the impact of healthcare operations activities on quality and costs for Harris Health patients. The fourth amendment will add three new statements of work to advance health equity for the Harris Health patient population. Each statement of work is summarily described below:

The first statement of work relates to a grant from The Patient-Centered Outcomes Research Institute (PCORI). PCORI recently awarded Harris Health $500,000 for its Health Systems Implementation Initiative. UTSPH will receive up to $306,499 of this grant award for its assistance in meeting the milestones and deliverables outlined, which are expected to build capacity necessary to implement and evaluate strategies to adopt evidence to advance health equity.

The second statement of work relates to a research study approved by Harris Health for UTSPH to conduct A Pragmatic Randomized Trial Integrating Homelessness Diversion Services into an Emergency Department Discharge System Homeless Study, at no cost to Harris Health.

The third statement of work relates to a produce prescription program implemented by UTSPH and Population Health for high-risk pregnant mothers at Harris Health to assess the feasibility and preliminary effects of differing doses of home delivery produce on clinical and non-clinical obstetric and maternal health outcomes, at no cost to Harris Health.

Administration recommends approval to amend the UTHealth Collaboration Agreement.

BOARD OF TRUSTEES

Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, July 27, 2023

Harris Health System Legislative Initiatives

Updates Regarding Pending State and Federal Legislative and Policy Issues Impacting Harris Health System.

Harris Health System
4800 Fournace Place
Bellaire, Texas 77401

July 27, 2023
Board of Trustees Monthly Report

Federal Update

340B Update: In a July 7 proposed rule, the Centers for Medicare & Medicaid Services (CMS) proposes to remedy nearly five years of unlawful Part B cuts to hospitals in the 340B Drug Pricing Program with $9 billion in lump-sum Outpatient Prospective Payment System (OPPS) payments.

From Jan. 1, 2018, to Sept. 27, 2022, CMS reduced Part B reimbursement for separately payable drugs purchased through the 340B program to 77.5 percent of average sales price (ASP) instead of the statutory default payment rate of 106 percent. To keep overall OPPS payments budget neutral, CMS offset these cuts with higher payments for non-drug OPPS items and services through a 3.19 percent conversion factor increase.

CMS was sued by the hospital industry and other parties to halt the payment cuts. In a June 2022 ruling in the lawsuit, the U.S. Supreme Court unanimously held CMS violated the Medicare statute by reducing the payments. The court remanded the case to lower courts for next steps, including determining a remedy for the years in question.

The U.S. District Court for the District of Columbia vacated the 2022 cuts from Sept. 28, 2022, onward and remanded the case to CMS to devise a remedy for the previous years of cuts. Some 340B hospitals applied for their 2022 claims to be reprocessed for drugs provided between Jan. 1 and Sept. 27 and have been paid the full OPPS payment rate for these claims. In the calendar year 2023 OPPS final rule, CMS deferred issuing a remedy and said it would propose a remedy in a separate rule.

In the July 7 proposed rule, CMS says it would pay 340B hospitals a one-time, lump sum payment equal to the difference between what hospitals would have been paid (ASP plus 6 percent) and what they were paid under the payment reduction (77.5 percent of ASP). Repayments from CMS would include amounts hospitals would have been paid in beneficiary cost sharing if the cuts had not been in place. Repayments would total $10.5 billion, $1.5 billion of which CMS says 340B hospitals already have received for 2022 claims the agency reprocessed at the full OPPS payment rate. CMS would not pay interest on the forgone payments, stating it does not have statutory authority to do so.

CMS says that after it issues a final rule, it will instruct Medicare Administrative Contractors (MACs) to repay hospitals within 60 days, and that this would result in repayments being issued

in late 2023 or early 2024. CMS has reported that Harris Health would receive $7.3 million from the national $9 billion settlement.

Update on CMS Local Provider Participation Fund Medicaid Bulletin Injunction: In the midst of a lawsuit brought by the state of Texas in March, a federal court on May 30th barred the Centers for Medicare & Medicaid Services (CMS) from implementing or enforcing its Feb. 17 informational bulletin regarding health care-related taxes and hold harmless arrangements involving the redistribution of Medicaid payments.

Texas sued CMS over the bulletin in April, arguing the agency relied on an overly broad interpretation of hold harmless arrangements to compel states to take costly and unlawful actions to curtail private agreements between providers. The injunction issued Friday prevents CMS from relying on the bulletin for any purpose while the state's litigation proceeds. This includes enforcing the bulletin in any ongoing or future Medicaid-related audits, oversight activities or state payment proposals in the state of Texas.

CMS also may not use the bulletin as a basis to issue deferrals or disallowances of reimbursement. CMS has the option of appealing the injunction. CMS' action over the next weeks and months will be closely monitored. This action if it were to proceed would jeopardize billions in Medicaid Supplemental Payments which Texas receives and potentially increase the IGT hospital districts would have to transfer to make up for the loss of LPPF private sector capacity.

Front Line Hospital Alliance Update: Attached is a response that Harris Health, in conjunction with the members of the Alliance, submitted to CMS' RFI regarding Safety Net Hospitals. Under the proposed definition only 106 hospitals nationally would qualify with 7 in Texas, including:

- Harris Health
- John Peter Smith
- Parkland
- University San Antonio
- University El Paso
- University Lubbock
- UTMB – Galveston

The proposed definition is currently being negotiated in several House and Senate bills under consideration by the Senate HELP and House Energy and Commerce Committees on a broad range of topics including targeted Medicaid DSH, 340B, and Social Determinants of Health/Mental Health.

State Update:

Status of Texas' Waiver amendment request for resizing Uncompensated Care (UC) Pool: Late February 2023 CMS proposed to use a COVID-19 base year in the resizing of the current $4 billion UC Medicaid supplemental payment pool. THOT estimated that using the COVID-19 base year would reduce the UC pool by over $3 billion per year. In fiscal year 2022 Harris Health received over $328 million from the pool.

HHSC's amendment submission sought to use 2025 data as the basis for the UC pool resizing. CMS has received the amendment and finished the public comment period. CMS told HHSC it will not address waiver amendments filed this year unless they are related to unwinding the PHE. HHSC told CMS that the amendment is tied to unwinding of PHE and was asked by CMS to send that information in writing to CMS. HHSC is sending that information and will offer to hold a targeted call to explain the request.

CMS did mention its concern that using the 2025 data would mean un-audited claim and encounter data for 2025. HHSC will offer to audit this data early to address CMS' concern, which may affect providers in terms of validating paid amounts vs. encounter amounts; but HHSC would plan to use any of that provider work towards the regular DSH audit.

Waiver for Medicaid Access to Individuals leaving incarceration: MACPAC reported on CMS' waiver for Medicaid access to care for persons leaving incarceration. CMS recently approved the first in the nation waiver for this population in California.

Based on legislative actions and discussions related to jail-based competency, forensic settings and capacity issues in state hospitals during the regular legislative session, there may be interest in relation to behavioral health care. While there has been less focus on physical health care, a case can be made that both behavioral health and physical health are needed. Working through THOT and Cornerstone there may be space for a conversation with leadership offices and in HHSC's Medicaid's policy area with the new Medicaid Director and her Deputy Executive Commissioner for Medicaid.

Legislative Update: Attached is a copy of the Texas Hospital Association's publication "Health Care and the 88th Texas Legislature: Outcomes for Texas Hospitals." This is a high level summary of significant pieces of legislation that passed and the failed to pass.

Compliance, legal and others are working through legislation that has passed and are updating policies and procedures as necessary.

Front Line Hospital Alliance

June 9, 2023

Chiquita Brooks-LaSure
Administrator, Centers for Medicare and Medicaid Services
7500 Security Blvd.
Baltimore, MD

RE: CMS-1785-P: Safety Net Hospitals – Request for Information

Dear Administrator Brooks-LaSure:

On behalf of the Front Line Hospital Alliance, I appreciate this opportunity to provide input on the above-captioned Request for Information (RFI). We appreciate very much the interest of CMS in advancing this important topic and hope that the RFI serves as a step toward better targeting limited federal resources to those most in need.

We very much agree that over time, what it means to be a "safety net hospital" has lost precision and as a result, limited financial resources have been spread too thin and true safety net hospitals are not getting the resources they need. We are pleased to see CMS advancing a conversation on the work of MedPAC to more accurately define what constitutes a safety net institution and how to better support those hospitals that are caring for a disproportionate number of Medicare beneficiaries, as well as other publicly funded and uninsured patients. Our group has been working on exactly these issues for the past several years and the comments below are intended to share some of our learning and thinking on these issues to help inform your work.

About the Front Line Hospital Alliance and Our Work

The Front Line Hospital Alliance (*Front Line*) is a coalition of what could generally be described as "super safety-net" hospitals. We developed a working definition to describe institutions falling into this category that captures roughly 100 larger hospitals and health systems in the United States. Front Line hospitals are mission-driven public or public-equivalent teaching hospitals that have the capacity to treat anyone that walks through our doors with highly specialized care, are committed to training our next generation of clinicians and to serving vulnerable, low-income patient caseloads that vastly exceed the statutory thresholds for "deemed" Disproportionate Share Hospital (DSH) status.

Our commercially insured populations are small, which limits our ability to absorb losses from government payers and/or high caseloads of uninsured patients. Despite our expertise in lean and efficient operations, Front Line hospitals continually face financial challenges as a result of inadequate reimbursement from government payers like Medicare and Medicaid in addition to the large number of uninsured or underinsured patients we also care for.

For the last several years, our alliance has been exploring many of the same questions that the Medicare Payment Assessment Commission and CMS are currently working on. We have tested a multitude of variables that speak to a hospital's level of commitment to serve their community and treat challenging beneficiary populations, which often lead to increased financial vulnerability. Based on several years of working with a variety of possible parameters, we arrived at the following working definition:

- Subsection (d) teaching and tertiary hospitals with more than 200 beds;
- Average Medicare case mix index of at least 1.5;
- Intern and resident to bed ratio of at least 0.25% (or at least 150 full-time equivalent fellows, residents and interns); and
- Either a public hospital with a disproportionate patient percentage (DPP) of at least 35%, or a nonprofit hospital with a DPP of at least 45%.

Taken together, Front Line found that these elements in combination work well to identify true "super safety net" institutions. In addition to the obvious observation that the definition only captures those with the highest levels of DPP, and that mission commitments are captured by teaching status and case complexity (which is a good surrogate for investments in high resource tertiary services such as burn, stroke, trauma, PICU, NICU, etc.), we have tested this working definition against a number of metrics that assess financial challenges. Some of the variables we have explored include days cash on hand, cash-to-debt ratio, operating margin, and age of physical and capital infrastructure. When comparing sample populations of hospitals that do and do not meet the above definition, the difference in these basic metrics of financial security is readily apparent.

Comments in Response to the RFI

General Comments

Front Line commends CMS for recognizing the unique challenges that public payer-dependent hospitals face and for exploring potential ways to evolve and improve the existing DSH and UCC formulas. We strongly agree with MedPAC that hospitals with high levels of underfunded government payer beneficiaries, uninsured and underinsured are uniquely vulnerable, and that a lack of commercial populations to make up for the resulting payment shortfalls exacerbates the financial pressures we face. We also appreciate MedPAC's acknowledgement that Medicare reimbursement levels are no longer covering reasonable cost. Furthermore, our experience confirms the connection between low-income populations and the higher likelihood of multiple comorbidities, social determinant of health challenges, and other factors that contribute to poorer health and higher cost for these vulnerable patient populations.

We also agree with MedPAC's observation that a system under which 80 percent of hospitals are currently eligible for Medicare DSH may not be an effective way to target limited resources to those most in need. Moreover, we concur that basing supplemental payments entirely on mechanisms tied to inpatient volumes does not recognize the fundamental changes in care

locus that have occurred over the last four decades -- changes that we support as we work to improve care and reduce costs for our most vulnerable patients. It has been our general experience that Medicare today is underpaying for inpatient and outpatient services but that the shortfall is much greater in the outpatient setting.

We believe that the definition developed by the Front Line Alliance (set forth above) is effective in identifying the larger urban institutions that serve very significant volumes of low income individuals with higher acuity care needs while meeting important community "mission" requirements in specialty care areas such as trauma, burn, NICU, stroke and teaching. We would request that CMS consider our definitional approach as a viable alternative to the MedPAC Safety Net Index and Area-level Indices approaches. Effective use of our definition to better target limited supplemental resources is well warranted.

Comments on the MedPAC-proposed Safety Net Index

The MedPAC proposed approach that would combine measures of Medicaid (full and partial) beneficiaries, uncompensated care, Medicare Part D low-income subsidy (LIS) beneficiaries, and a measurement of Medicare caseload points in the right direction by attempting to provide an objective measure of the patient populations that challenge the financial bottom line and are associated with higher complexity and cost of care.

However, while Front Line agrees that the characteristics of the patient population are of great importance, we are not sure that basing the entire definition of a safety net hospital solely on patient characteristics necessarily encapsulates all it means to be a safety net provider. For example, in our definition we included case mix index and status as a major teaching institution. Case mix index is a patient-centric metric that is also a highly useful surrogate for recognizing the "mission" costs and investment that are often incurred by safety net institutions. This would include, for example, burn and trauma units, comprehensive opioid/substance use disorder programs, neonatal intensive care and other types of tertiary community-level services. Similarly, major teaching status reflects a substantial institutional investment in tertiary care and is well-correlated with serving LIS populations. These commitments and investments to the community should be captured in the definition of a safety net hospital.

Second, as mentioned, Front Line appreciates MedPAC's recognition that supplemental financial assistance for safety nets should channel through both inpatient and outpatient reimbursement mechanisms. The original MedPAC proposal was unclear as to whether the measurement of LIS costs was based on inpatient caseloads only, or whether there was a mechanism to capture these caseloads on both an inpatient and outpatient basis. The RFI suggests a methodology for measuring LIS that would be entirely based on inpatient discharge data. As mentioned above, we have been utilizing Disproportionate Patient Percentage (DPP) in our proposed definition, which captures Medicaid, low-income Medicare volumes, and Medicare share. We do not understand why the LIS metric would be a better approach if it is also limited to inpatient populations.

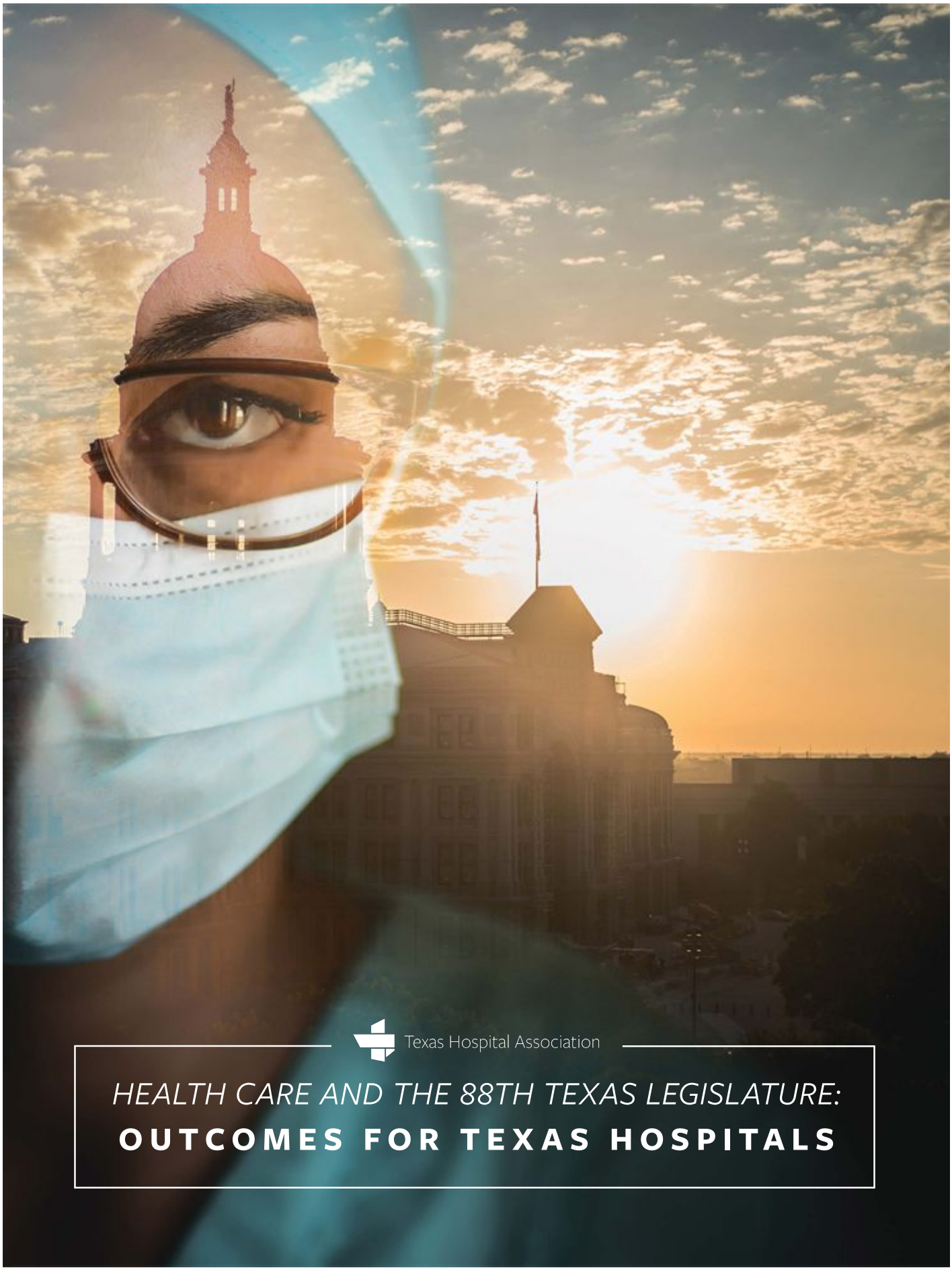
While we do not necessarily disagree with the merits of using LIS as a metric, Front Line does have concerns that it is not publicly available and therefore far less transparent than DPP. We believe CMS should consider using DPP as opposed to LIS given the transparency benefits. Alternatively, it would be helpful for CMS to develop and release modeling on how the LIS metric would work in a given year (or years) on an existing patient population in order to assist in understanding the impact.

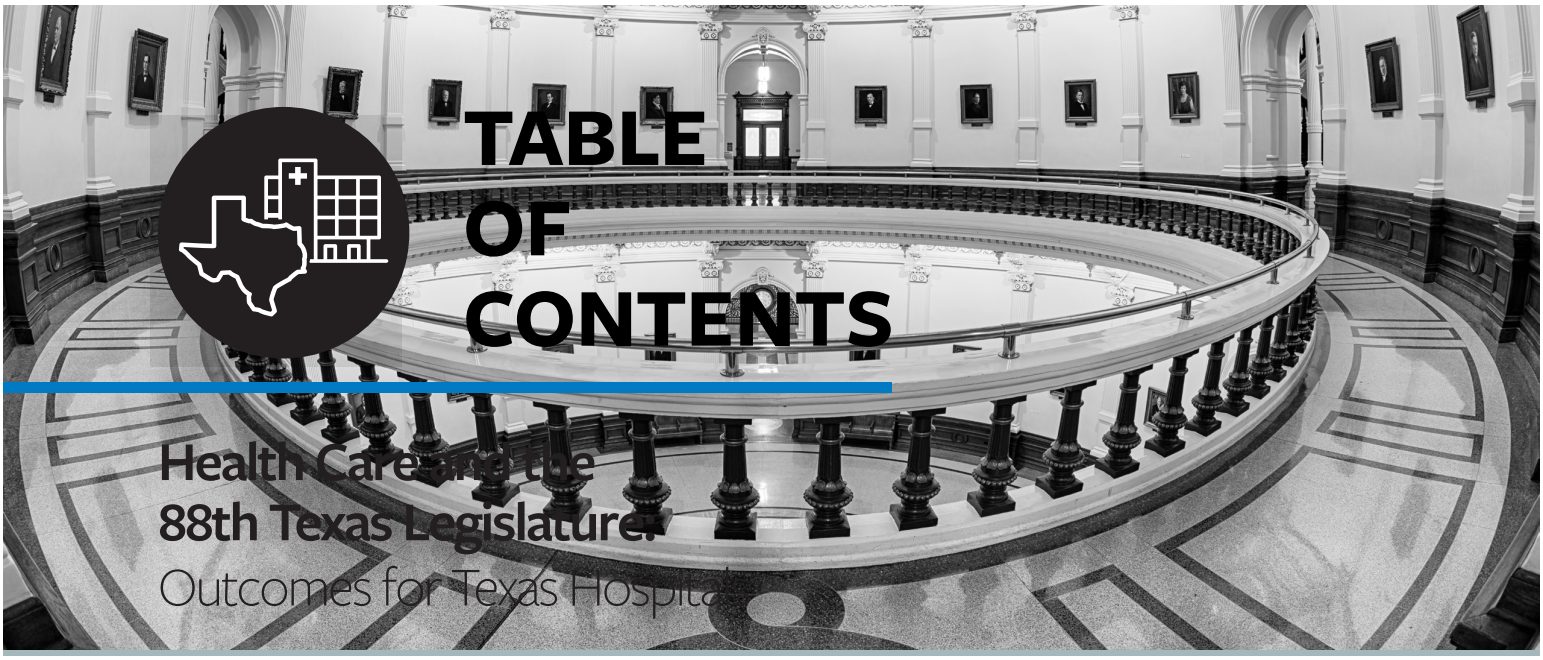
We also note that the MedPAC work product that informs this RFI did not include a recommendation for defining eligibility thresholds beyond the idea of a sliding scale on a linear basis. We think that the idea of using a sliding scale, as opposed to a "cliff" style, approach is interesting, but we would question whether the goal of more effectively directing limited resources to the truly most vulnerable, i.e. "super" safety net hospitals, is served by including the vast majority of hospitals in the program.

In conclusion, we appreciate the effort to modernize and improve how Congress should define and resource safety net hospitals. The Front Line Hospital Alliance hopes to lend our expertise and help support these important efforts however we can.

Sincerely,

Donna Lynne, Dr.P.H.
Chair, Front Line Hospital Alliance
Chief Executive Officer, Denver Health


Texas Hospital Association
HEALTH CARE AND THE 88TH TEXAS LEGISLATURE:
OUTCOMES FOR TEXAS HOSPITALS



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KEY POLICY PRIORITIES: OUTCOMES AND ANALYSES

OTHER KEY ISSUES IMPACTING TEXAS HOSPITALS

THA'S ADVOCACY TEAM

Texas Hospital Association

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A Message From THA President/CEO John Hawkins

You can be as ready as ever – and still be surprised. That was the Texas hospital industry during the 2023 regular session of the Texas Legislature.

Going into January's kickoff of this session, we knew that THA – along with its member hospitals – faced a tough 140 days ahead. Anti-hospital sentiment seemed to be at a high, driven in part by wildly off-the-mark mistruths about COVID-19's impact on hospitals and the anti-science movement that picked up steam during the pandemic. That's why THA prepared to stand up for hospitals, working with lawmakers throughout the 2022 interim, collecting and distributing data in two groundbreaking pre-session reports that helped illuminate the truth, and spreading that message far and wide. THA also unleashed a hard-hitting news media push before session to blanket the state with information about the ongoing financial plight of Texas hospitals and to remind the general public of hospitals' critical public health role in emergencies and everyday life. We were ready to walk into battle and tell hospitals' story over the five months to come.

And yet, we were still surprised. As a veteran of the advocacy trenches, I know I was. Surprised at just how determined certain groups and lawmakers were to propose and promote legislation that would hurt hospitals' bottom line, be detrimental to patients, force many clinics to close and severely hamper access to care. Surprised at the degree of danger found in those pieces of legislation. And surprised at how the myth persisted that hospitals were thriving financially as the pandemic wound down – despite data from the THA-commissioned Kaufman Hall report that showed almost half of Texas hospitals were operating in the red, and nearly one in 10 was in danger of closure.

But as one – THA and its 600-plus members – we rose to the challenge. We used the truth to fight back, including through an extensive white paper called The Facts that tackled more than a dozen mistruths head-on. We worked the Capitol, walking miles and miles of those stone floors. We stopped countless threats – like multiple government rate-setting bills – one by one, averting certain disaster on several different fronts.

To add to that defensive display, our offense was in full force, too: getting bills passed to protect our workforce, pulling through with big funding increases for the workforce pipeline, rural health care support and improvements to behavioral health, keeping Medicaid fully financed, and continuing our local provider participation funds. We successfully advocated for expanding Medicaid coverage to one year for new mothers. And as you'll see as you peruse this report, we accomplished much more as well.

Simply put, this was a session to look back on with both reverence and relief. We achieved many of the items on our priority list, and we stopped numerous bad bills in their tracks. Our success at both ends of that spectrum, and points in between, is something in which we should all take great pride.

Thank you for making my first session as THA's president one to remember.

EXECUTIVE SUMMARY
THA in the 2023 Session of the Texas Legislature

BIG THA WINS

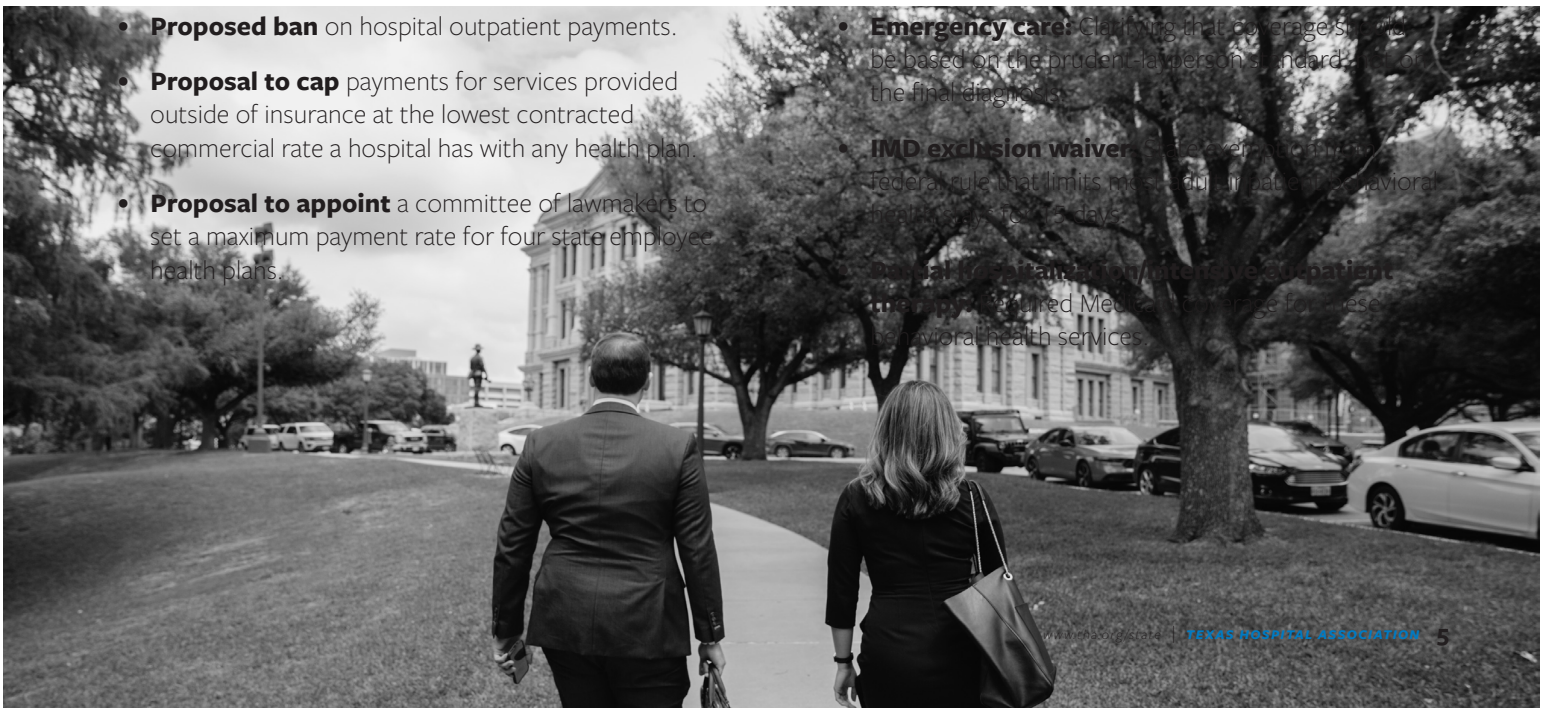
- **Workforce:** Substantial increases in nursing school budget allocations for faculty, clinicals and preceptorships from $19 million to about $47 million, $25 million for nursing scholarships, and significant investments in physician graduate medical education and loan repayment initiatives. Legislative measures to prevent and address workplace violence, including required workplace violence policies, committees and annual training at hospitals, along with protections for those who report a violent incident; enhancement of the penalty for assaulting a hospital worker to a third-degree felony.
- **Behavioral health:** Budget wins included $26 million in increased funds for the state's Loan Repayment Program for Mental Health Professionals and funding for nearly 200 new inpatient psychiatric behavioral health beds; required availability of electronic applications for emergency detention orders.
- **Medicaid:** Passage of a bill to increase required continuous postpartum coverage for new mothers from two months to 12 months; overall Medicaid funding remained essentially level; tripling of the rural labor and delivery add-on payment to $1,500.
- **Hospital operations:** Passed a bill allowing continuation of the federal hospital-at-home program, which helped hospitals manage COVID-19 surge capacity by treating eligible patients at home; long-sought-after improvements to the Texas Advance Directives Act.

BAD BILLS THAT THA STOPPED

- **Proposed ban** on hospital outpatient payments.
- **Proposal to cap** payments for services provided outside of insurance at the lowest contracted commercial rate a hospital has with any health plan.
- **Proposal to appoint** a committee of lawmakers to set a maximum payment rate for four state employee health plans.

THA PRIORITIES THAT DID NOT PASS

- **Emergency care:** Clarifying that [illegible] be based on the prudent-layperson standard [illegible] the final diagnosis.
- **IMD exclusion waiver** [illegible] Federal rule that limits [illegible] behavioral [illegible] days.
- [illegible] Medicaid [illegible] behavioral health services.



KEY LEGISLATIVE PRIORITIES

Building a Stronger Hospital Workforce and Safer Workplaces

COVID-19 has waned to the point where, for some time now, most people have talked about "the pandemic" as a past-tense event. But its impact on Texas' hospital workforce was broad and devastating, and continues today, three-and-a-half years after the pandemic began.

During surges of the virus, hospitals became places of overwhelming stress, leading to burnout, fatigue and attrition in the ranks of nursing and other health care professions. Workplace violence surged during the era of COVID-19, as a THA survey in late 2022 showed. More than 60% of responding hospitals reported an increase in violence severity during the pandemic, and nearly every hospital reported workplace violence had increased or stayed the same. The same survey showed that 64% of hospitals were operating with fewer beds and reduced services because of a shortage in nurse staffing. And even with qualified nursing applicants ready to refill the pipeline, nursing faculty and clinical education capacity shortages have kept that replenishment from becoming reality. Texas nursing schools turned away more than 15,700 qualified applicants in 2021.

With these and other data points in hand, THA turned to the Legislature to help turn around these sobering trends and pave the way for hospitals to rebuild their personnel ranks. Incentives for joining the hospital workforce – like scholarships, grants and loan repayment initiatives – needed a boost, and nurses and other hospital workers needed to feel safe as they went about their caretaking, lifesaving business each day.

The Legislature responded with actions that give Texas hospitals hope of finding strength in numbers once again.

Postsecondary Nursing Support

Getting nurses back in the pipeline required a multifaceted approach, and Sen. Lois Kolkhorst's (R-Brenham) postsecondary nursing education omnibus measure provides wide-ranging support to that end.

Sen. Kolkhorst's bill, which passed the Legislature with THA's strong support, removes an annual cap of $7,000 in loan repayment assistance for nurses who work as faculty in a nursing degree program, instead basing the amount a nurse receives on the proportion of hours the nurse worked as a faculty member to the number of hours worked by a full-time nurse. It also breathes new life into a dormant nursing scholarship fund, which Lt. Gov. Dan Patrick listed as a priority for this session, and expands the eligibility for nurses serving as part-time faculty to apply for loan repayment programs administered by the Texas Higher Education Coordinating Board. Finally, the bill established a clinical site nurse preceptor grant program to ensure that teaching nurses are rewarded for training the next generation. (*SB 25*)

Stopping Workplace Violence

The driving force of THA's strategy to prevent and address workplace violence earned lawmakers' overwhelming approval and was quickly signed into law by Gov. Greg Abbott. The bipartisan measure by Sen. Donna Campbell, MD (R-New Braunfels) and House sponsor Rep. Donna Howard (D-Austin) requires hospitals and other health care facilities to implement a workplace violence prevention policy; maintain a workplace violence committee; and provide workplace violence training at least annually. It also prohibits retaliation or discipline for reporting a violent incident in good faith. Gov. Abbott signed the Senate version into law two weeks ahead of the session's adjournment.

Greater protection for hospital workers also arrived in the form of a bill by Sen. Royce West (D-Dallas) to enhance the penalty for assaulting a hospital worker. Now, doing so on any hospital property – not just a facility's main campus

– will result in a third-degree felony charge. Both of these important bills take effect Sept. 1.

THA-supported workplace violence-related measures that didn't pass included bills by Rep. Rafael Anchía (D-Dallas) to prohibit parolees from hospital visitation unless a supervising parole officer pre-approves the visit, and to make it a felony for parolees to remove their required electronic monitoring devices. These measures were prompted by the circumstances of the fatal shooting incident at Methodist Hospital in Dallas in October 2022. (*SB 240/HB 112; SB 840/HB 3548; HB 3547/SB 2127; HB 3549*)

Crucial Budget Funding

Much of the state support for revitalizing the hospital workforce needed to come through allocations in the state budget, and lawmakers came through with valuable investments in that realm for 2024-25. Among the key workforce numbers in the final budget, House Bill 1, were:

- **Nursing scholarships –** $25 million total in the base budget, with $12.5 million for each year of the biennium;
- **Professional Nursing Shortage Reduction Program –** An increase from $19 million over the current biennium to nearly $47 million in the next one;
- **Nurse Faculty Loan Repayment Program –** $7 million over the biennium, a sizable increase from less than $3 million allocated in the current budget;
- **Graduate Medical Education –** $233 million over the biennium – an increase of more than $30 million – to maintain the state's desired ratio of residency slots to medical school graduates, because research shows students who do their residency in Texas are more likely to stay there;
- **Physician Education Loan Repayment Program –** $35.5 million for the biennium, a $6 million increase;
- **Family Practice Residency Program –** $16.5 million for the biennium;
- **Rural Residency Physician Grant Program –** A new program funded at $3 million for the biennium; and
- **Texas Workforce Commission Programs –** Increases for the commission's skills development program ($57 million in funding for the biennium) and apprenticeship program ($38.7 million).

Improving Behavioral Health Care and Access

With the full weight of the Texas hospital industry behind the effort, THA continued a long-standing push for more robust funding for behavioral health care, and to give mental health patients access to the full continuum of services that's generally available to patients in physical care.

Bolstering the state's behavioral health infrastructure took on enhanced importance in a post-COVID-19 world. Research from the Kaiser Family Foundation (KFF) showed that just under one-third of adults reported having symptoms of anxiety and/or depressive disorder in data released in February 2023. In KFF data from fall 2022, 47% of parents reported the pandemic had a detrimental impact on their child's mental health. And out of the U.S.-record number of substance use deaths in 2021 – which totaled more than 106,000 – nearly 5,000 were in Texas.

THA aimed at spearheading ambitious improvements in Texas' behavioral health infrastructure, and state lawmakers heeded much of what they heard about hospitals' needs, particularly in the crafting of 2024-25 budget funding.

Budget Wins

THA undertook an aggressive advocacy effort to educate budget leaders about the state's widespread needs in mental health care, including the critical importance for patients to have access to a full continuum of care. In response, both the House and Senate's initial budget drafts demonstrated a wide-ranging commitment to funding the state's behavioral health needs – such as through a massive boost to the Loan Repayment Program for Mental Health Professionals.

That funding increase made it through to the final budget, and many other allocations for 2024-25 in the mental health realm leave THA optimistic about Texas improving the state of behavioral health care.

Loan Repayment – The mental health loan repayment program, which was funded at $2 million for the current budget, will receive $28 million over the 2024-25 biennium – an increase of 1,300%. For THA, the funding bump was a heartening boon for access to care. The mental health loan repayment program – which is open to psychiatrists, psychologists, advance practice nurses certified in mental health training, and others – encourages those professionals to practice in a mental health professional shortage area.

More Beds – Obtaining funding for more psychiatric inpatient beds is always a top priority for hospitals, and budget writers came though on that front as well. A budget rider put more than $200 million into maintaining existing community psychiatric bed capacity and adding 193 additional state-purchased beds – 70 in rural areas and 123 in urban areas. The same rider included more than $100 million to contract for 170 competency restoration beds.

Other key budget allocations (dollar amounts for the biennium) included:

- $7.4 million for telepsychiatry consultations for rural hospitals;
- Hundreds of millions allocated in the supplemental budget for construction for eight state hospitals;
- $175 million for a Mental Health Inpatient Facility Grant Program, which will fund the construction of inpatient beds in the Rio Grande Valley, Montgomery County and Victoria County; and
- Nearly $16 million for a grant program to construct inpatient mental health beds at children's hospitals. (*House Bill 1*)

Emergency Detention Orders

THA made it a priority to modernize and create uniformity on elements of the state's behavioral health care system, with the ongoing commitment of THA's Behavioral Health Council to undertake that effort. Though some of THA's items related to emergency detention orders (EDOs) and orders of protective custody (OPC) didn't make it through to passage this session, one of the biggest needs to bring behavioral health into the '20s – the availability to apply for EDOs electronically – did get enshrined into law, thanks to late-session work by THA's advocacy team. Widespread inconsistency – and outdated processes – surrounding the issuing of EDOs have hampered the speed and efficiency of getting behavioral health care to Texans who need it. THA advocated for electronic applications to be available across the state; in places where it isn't available, waiting for a judge or peace officer to carry out the detention creates slowdowns during a time of mental health crisis for the patient.

THA successfully amended a bill by Sen. Judith Zaffirini (D-Laredo) that requires the Office of Court Administration of the Texas Judicial System to develop a process to electronically apply and receive approval for emergency detention warrants, and for a judge or magistrate to electronically transmit the warrant. The bill also explicitly gives facilities the authority to detain a person once it receives a transmitted warrant. Passage of Sen. Zaffirini's bill salvaged a piece of THA's modernization push, after months of work and multiple other bills by several lawmakers, including Reps. Jacey Jetton (R-Richmond) and Jeff Leach (R-Plano) and Sens. Juan "Chuy" Hinojosa (D-McAllen) and Nathan Johnson (D-Dallas).

THA plans on continuing to advocate for other updates to the state's behavioral health system that didn't earn passage this session, including multiple updates to processes for EDOs and OPCs. (*SB 1624; HB 3504/SB 1815; HB 2507/SB 1433*)

IMD Exclusion Remains in Place

THA's effort to patch the Medicaid coverage gap for behavioral health patients between the ages of 21 and 64 – one of its top-line priorities for the second straight session – didn't make it into the final budget. Currently, Medicaid policy does not cover patients in that age range for stays at institutions for mental disease (IMD) beyond 15 days. However, states can pursue a federal waiver from the IMD exclusion.

Following the release of the original budget bills for this session – neither of which included the IMD rider – THA successfully lobbied for its inclusion in the House version of the budget, but not the Senate version. When the two chambers convened their conference committee to negotiate the differences between the two budgets, the IMD exclusion was once again left out. Closing this critical coverage gap will be another continued point of emphasis for THA.

PHP/IOT Coverage Push

THA's aggressive push for required Medicaid coverage for partial hospitalization programs and intensive outpatient therapy services (PHP/IOT) also didn't make it to passage, despite encouraging movement on the House vehicle for that coverage and hope in the final days of session. PHP and IOT – both of which allow patients to receive more intensive therapies that can prevent additional hospitalization – are in many cases a viable alternative to round-the-clock inpatient care. Their availability gives Texas patients access to a full continuum of behavioral health services, just like the full range of services available for physical care. The House bill by Rep. Tom Oliverson, MD (R-Cypress) passed out of its originating chamber but stalled after referral to a Senate committee. In the closing days before adjournment, THA was able to get its desired PHP/IOT language added to a bill by Sen. Charles Perry (R-Lubbock), the sponsor of the original Senate version. However, the PHP/IOT language was stripped out before Sen. Perry's bill passed and went to the governor's desk. (*HB 2337/ SB 905; SB 1677*)

Improving Health Care Coverage for More Texans

While overall expansion of Medicaid through the Affordable Care Act continues to be a heavy lift in Texas' political climate, THA and other stakeholders entered session advocating for a more limited – but crucial – form of expansion.

Two years ago, the Legislature passed a measure to extend postpartum Medicaid coverage for new mothers from two months to six months, and Gov. Greg Abbott signed it into law. But the Centers for Medicare & Medicaid Services (CMS) subsequently didn't approve the state's application. CMS told news media earlier this year that the application was still under review.

For THA, taking another run at longer postpartum Medicaid coverage was a priority entering 2023. Medicaid enrollees deliver about half the babies in Texas, and the state's Maternal Morbidity and Mortality Review Committee found that more than a quarter of maternal deaths in Texas happen between 43 days and one year after pregnancy – outside the current two-month coverage window. For 2023, THA and other organizations decided to vigorously pursue one year of postpartum coverage.

Both Gov. Abbott and House Speaker Dade Phelan (R-Beaumont) joined THA in making extended postpartum coverage for mothers a priority for this session, and Rep. Toni Rose (D-Dallas) filed the priority legislation to make it happen. It only earned ultimate passage, however, after a final-week amendment by Sen. Lois Kolkhorst (R-Brenham) prompted a conference committee to shape the final bill, which Gov. Abbott signed into law.

Sen. Kolkhorst's amendment was a statement of legislative purpose, placed into statute, that attempted to clarify women can only receive the extended coverage if they deliver a baby or have a miscarriage, not if they undergo an "elective abortion." The conference committee did not place the legislative purpose statement into statute and finessed the language of the amendment, landing on clarifying the coverage extension is "for mothers whose pregnancies end in the delivery of the child or end in the natural loss of the child." This final language should allow the Texas Health and Human Services Commission to submit a standard state plan amendment to CMS, resulting in a quick and straightforward approval of expanded coverage for Texas moms. (*House Bill 12*)

Maintaining Budget Funding to Protect Both Texans and Hospitals

Texas hospitals came into the session with a great opportunity – and a great deal of hope – as they sought

funding for many of their budgetary goals for 2024-25. A surplus of more than $30 billion, due in large part to stout oil and gas revenues, gave lawmakers leeway to fund a healthy amount of the state's health care and hospital needs in the next two-year budget.

As its members struggled to find their footing due to workforce depletion and unstable finances coming out of the pandemic, THA's top budget asks included:

- Maintain hospitals' Medicaid reimbursement rates, including payments for safety net hospitals, rural hospitals and trauma care;
- Increasing funding for behavioral health psychiatric beds, while also obtaining the Legislature's direction to pursue a state waiver from a key federal exclusion creating a coverage gap in adult behavioral health;
- Maintaining funding for women's health, including maternal care, family planning, and breast and cervical cancer programs;
- Funding for rural health programs to modernize telemedicine and broadband capacities and maintain access to rural health care; and
- Increasing efforts to combat workforce shortages through nursing and medical graduate loan repayment, grants and scholarship programs, and by developing the state's graduate medical education capacity.

Medicaid and Rural Health

The state's final appropriations for Medicaid offered welcome investments: a total appropriation of just under $81 billion for 2024-25, a $12.1 billion increase over the previous biennium. That includes more than $30 billion in state funding, nearly $50 billion in federal funding and $0.6 billion from other sources.

Hospitals fought for and maintained ground on key Medicaid reimbursements. After initial projections of a COVID-19-driven shortfall in the state's dedicated emergency medical services and trauma funding account, budget writers plugged in extra dollars to hold funding for trauma add-on payments level to that of the 2022-23 budget, at $180 million annually. Safety-net hospital add-on payments also stayed level at $150 million annually.

The pre-session, THA-commissioned Kaufman Hall report highlighted hospitals' financial struggles, which are exacerbated in rural settings. Showing an understanding of the funding needs in those settings, the Legislature allocated $66 million annually for rural outpatient payments – a $36 million annual increase that will align rural hospitals' Medicaid payments to current costs.

The money secured for rural labor and delivery add-on payments – $47 million over the biennium – will triple those add-on payments, from $500 per delivery in the current budget to $1,500 per delivery, helping to shore up access to maternal care in rural areas.

Rural behavioral health also benefited from an investment of more than $7 million in telepsychiatry consultations for rural hospitals. For more information on budget allocations and wins and losses in behavioral health, as well as for workforce, see separate sections on these topics in Key Policy Priorities: Outcomes and Analyses.

Women's and Maternal Health

While the THA-supported passing of extended postpartum Medicaid coverage for new mothers (see separate section in Key Policy Priorities: Outcomes and Analyses) may have been this session's headlining achievement in the realm of maternal and women's health, it was far from the only one. THA's advocacy on the budget helped secure vital funding for the state's women's health programs and for combating maternal mortality and morbidity.

The Healthy Texas Women program received $129 million

in funding for 2024 and just under $140 million for 2025. The Family Planning Program – historically underfunded in past budgets – received $145 million over the biennium ($74.7 million in 2024 and $70.3 million in 2025), almost doubling the program's appropriations for 2022-23. The Breast & Cervical Cancer Program received $11.3 million for each year for a biennial total of more than $22 million.

The Legislature also demonstrated its commitment to tackling the state's maternal mortality and morbidity problem with a fully funded allocation of $3.5 million per year to the TexasAIM initiative, a collaboration that originated with the state, THA and the Alliance for Innovation on Maternal Health that helps hospitals and clinics implement projects for maternal safety. An additional $10.9 million went toward implementing the Maternal Health Quality and Improvement System and Maternal Mortality Review Information Application Replacement.

Last-Minute Add: Study Approved on Hospital Finances

A last-minute budget insertion reflected the heightened scrutiny hospitals endured during this session as they worked to defeat ill-advised legislation to prohibit hospital outpatient payments and institute government rate-setting.

Budget writers appropriated $5 million directing the Texas Health and Human Services Commission (HHSC) to perform a study of charity care and hospital transparency, with a resulting report due by Dec. 1, 2024.

That report will include:

- Recommendations on improving hospital reporting and transparency;
- A "summary of all revenue streams and their value" by facility and hospital system, which includes patient revenue both private and public, "all supplemental state or federal funding sources," research grants and local tax revenue; and
- The value of charity care by facility and hospital system, as well as bad debt expense and unreimbursed cost of care.

For the study, HHSC must contract with a third-party vendor that does not [illegible] or operate a hospital. THA will urge selection of a reputable vendor that is familiar with the Texas hospital market and relate[illegible] THA will also be as involved as possible [illegible] study's progress, weighing in on mea[illegible]ments, assist[illegible] members with participation in the study.

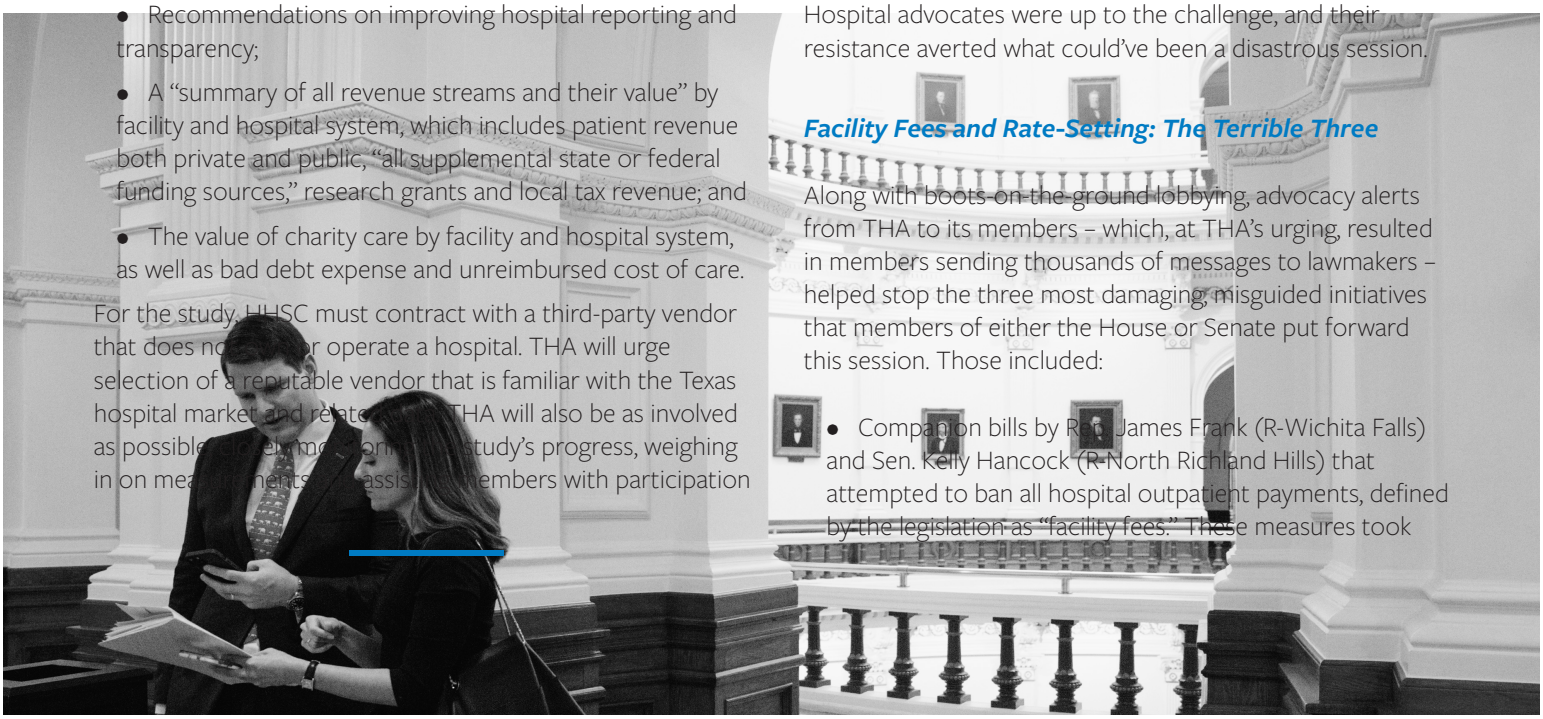
Successfully Beating Back Bad Bills

Heading into the session, THA undertook extensive efforts to educate legislators about the significant challenges facing hospitals, the absence of "enrichment" hospitals had supposedly experienced during the pandemic, and their considerable need for support. Despite those efforts, taking whacks at hospitals' reimbursements and their ability to serve patients became a widespread effort on both sides of the Capitol.

The momentum behind the worst of these anti-hospital measures – heavily supported by forces in the health insurance lobby – was considerable, especially in the face of insurers collecting record pandemic-era profits. As Kaufman Hall demonstrated in a THA-commissioned report released in late 2022, Texas hospitals were in opposite straits: nearly half of all hospitals were ending the year with negative operating margins, one in 10 was at risk of closure, and the closure risk spiked to 26% for rural hospitals. And THA's COVID-19 Impact Report detailed how the pandemic had precariously positioned hospitals not only economically, but on a human level, as hospital employees worked around the clock to protect public health.

But those realities were often questioned or downplayed, and THA and its members had to fight strenuously against bills – some proposed by particularly powerful lawmakers – that, if passed, would weaken hospitals, negatively impact patient care and remove facilities' ability to recoup the cost of care.

Hospital advocates were up to the challenge, and their resistance averted what could've been a disastrous session.



Facility Fees and Rate-Setting: The Terrible Three

Along with boots-on-the-ground lobbying, advocacy alerts from THA to its members – which, at THA's urging, resulted in members sending thousands of messages to lawmakers – helped stop the three most damaging, misguided initiatives that members of either the House or Senate put forward this session. Those included:

- Companion bills by Rep. James Frank (R-Wichita Falls) and Sen. Kelly Hancock (R-North Richland Hills) that attempted to ban all hospital outpatient payments, defined by the legislation as "facility fees." These measures took

on several iterations – all bad – as THA and its members continued their vehement opposition. At one point, the Senate version focused on barring hospitals from collecting any payment whatsoever for telemedicine and telehealth services. Before that, a committee substitute for the House version banned facility-fee payments for both inpatient and outpatient care for "preventive" services, a devastatingly broad list if applied using federal law. Ultimately though, thanks to tireless work by determined THA staff and membership, the bills suffered total defeat. (*House Bill 1692/ Senate Bill 1275*)

- Government rate-setting in the form of a bill by Rep. Frank – chair of the important House Human Services Committee – that would have forced hospitals to accept a government-set maximum rate for services provided outside insurance, including charity care and prompt pay. Specifically, a hospital would have been forced to accept as payment the lowest contracted rate it had with any commercial health plan – disincentivizing patients from obtaining insurance, as going uninsured would enable them to pay that lowest rate. In addition to the quick work of THA members in responding to a THA alert that went out that went out the weekend before the bill reached the House floor, its ultimate death knell came on the sustaining of a procedural point of order on the floor, leading the author to postpone consideration of the bill until well after session was over. (*HB 633*)

- Yet another rate-setting effort – this one proposed by the chair of the powerful House Appropriations Committee, Rep. Greg Bonnen, MD (R-Friendswood) – would have put payments for certain state health plan systems in the hands of a committee of state legislators. Under the bill by Rep. Bonnen, the 10 lawmakers on that committee would have been able to unilaterally set individual payment rates for hospitals in four state agency health plans: the Employees Retirement System and Teacher Retirement System of Texas, the University of Texas System and the Texas A&M University System. The proposal made it out of a House committee but never reached the floor for a vote. (*HB 5186*)

Insurer Deregulation

While that trio of bills represented the biggest [illegible] for hospitals, they weren't the only insurer-supp[illegible]asur[illegible] that required extensive THA energy to short-circ[illegible]. Other bills sought dangerous ways to allow insurers to skirt regulations and offer bare-bones coverage without the state's important consumer protections.

A measure by Rep. Tom Oliverson, MD (R-Cypress) would [illegible] have generally allowed insurers to seek a waiver from any insurance law, regulation or requirement if the insurer believed it would stifle innovation, allowing the state insurance commissioner to unilaterally decide whether to grant that waiver. THA testified against the bill in writing, saying it would "give unprecedented discretion to a state official to decide whether the will of the Texas Legislature should be waived." After clearing committee, the bill stalled.

Rep. Giovanni Capriglione (R-Southlake) put forth another measure that would have created deregulated "consumer choice" health plans, allowing insurers more leeway to offer employees and consumers a greater number of cheap plans with more scant coverage – without the consumer protections that enrollees have come to expect. THA testified in committee that this measure would potentially erode Texas' gains in ensuring comprehensive health coverage. The bill died in committee. (*HB 2017; HB 1001*)

Itemized Billing: Passes Over THA Warnings

One major THA-opposed bill that passed over hospitals' objections was an ill-advised itemized-billing requirement in the name of price transparency. THA supports hospital price transparency, but there are right and wrong ways to go about it – and the bill by Sen. Bryan Hughes (R-Mineola) and Rep. Caroline Harris (R-Round Rock) will create challenges for consumers and hospitals. It requires hospitals and other facilities to provide itemized bills to patients within 30 days of receiving payment from a third party and before collecting payment after care is provided. THA testified about the cost and administrative burden this approach would introduce for hospitals of all stripes, from the small rural facilities to the bigger hospital systems, as well as the confusion it would cause for patients. Nonetheless, the Senate version passed and was signed into law. (*SB 490/HB 1973*)

Many of the attacks on hospitals – and the push to find new legislative routes to [illegible]ich insurers a[illegible]e expense of patie[illegible]d the health care profession – are likely to be resurrected in 2025. THA is preparing for that inevitable next round of attacks in the interim, creating a sweeping plan to double down on its defense of the hospital industry with an even more robust offense.

OTHER KEY ISSUES IMPACTING TEXAS HOSPITALS

Although the issues and legislation detailed in previous pages emerged as key policy priorities, THA's work during this session included the tracking of more than 1,600 bills, out of more than 8,000 that were filed. Here are some of the most significant pieces of other legislation THA tracked and helped shape.

Hospital-At-Home

Rep. Jacey Jetton (R-Richmond) and Sen. José Menéndez (D-San Antonio) authored a THA-priority bill to continue the pandemic-era federal hospital-at-home program. The bill continues the operation of hospital-at-home programs as long as the facility receives approval from both the Centers for Medicare & Medicaid Services and the Texas Health and Human Services Commission, the latter of which would establish standards similar to the Acute Hospital Care at Home program that helped control patient surges during the pandemic. Rep. Jetton's bill sailed through both houses and was signed into law by the governor in late May. (*House Bill 1890/Senate Bill 1156*)

Hospital Investigation Transparency

After six long years of work, a key THA priority for this session – to increase transparency of state investigations into hospitals – became law. The measure, authored by Rep. Stephanie Klick (R-Fort Worth) and signed into law before session concluded, makes final hospital investigation reports and outcomes public, as well as the number of times the state has investigated a given hospital. Currently, the state posts just one year of enforcement actions on the Texas Health and Human Services Commission website. Those postings include violations by Texas Administrative Code numbers, dates and penalty amounts, but don't include any narrative or details about the investigation. The bill also clarifies that hospitals are permitted to release medical records to patients, the parent or guardian of a patient who is a minor or incapacitated, or the personal representative of a patient who is deceased, regardless of whether there is an active investigation. THA and other stakeholders worked on negotiated language to modernize reporting, and once that was finalized, six years passed before the bill reached this legislative finish line. (*HB 49*)

Insurance Contracting

When it comes to negotiating contracts between providers and health plans, it's already an insurer's world. The industry in which three private insurance companies control 84% of the large-group market doesn't need any more thumbs on the scale in its favor. So along with more direct attempts to disrupt hospital payment systems – such as the defeated bills attempting to institute government rate-setting and ban hospital outpatient payments – THA had to be mindful of legislation that would undercut hospitals' and providers' leverage and ability to pursue fair terms in contract negotiations.

A measure put forth by Rep. James Frank perked up THA's antennae – and initially earned its opposition – by containing a broad set of bans on common types of contract clauses. The bill was based on model legislation from the National Academy of State Health Policy. THA quickly devoted acute attention to Rep. Frank's bill early in session and, through work with the author, successfully lobbied for the most problematic aspects of the original bill to be removed. THA ultimately stood neutral on the final bill, which passed both chambers and became law without the governor's signature.

As passed, it bars the use of "anti-steering" clauses in contracts – which prohibit a health insurer from directing enrollees to specific providers, such as through a discount. It also prohibits "anti-tiering clauses" that keep insurers from ranking providers within a network. THA's shift from opposition to neutral came after key amendments that removed a ban on "all-or-nothing" contract clauses – which allow hospitals to negotiate contracts on behalf of every hospital, provider or clinic under its umbrella – and the addition of language saying that if insurers do engage in tiering or steering practices, they must do so as a fiduciary acting for the primary benefit of their enrollees. THA was also successful in negotiating a delayed implementation – through the end of 2023 – for the clause that restricts

anti-tiering and anti-steering terms in existing contracts. That gives hospitals time to attempt renegotiation of any of their contracts containing those types of clauses. Those provisions will prevent the new negotiating restrictions from diluting providers' leverage – and patients' needed care. (*HB 711*)

End-of-Life Care

Few hospital issues require as sensitive an approach, and as delicate a balancing of factors, as end-of-life care. The rights and wishes of a patient, as may be expressed in an advance directive – or those of a patient's legal decision-maker – must be balanced against care providers' ethical duty to "do no harm." When a dispute results over requested medical interventions for the patient, hospitals may legally attempt to resolve the dispute over whether that care is appropriate by engaging the facility's ethics committee. Making sure a patient's decision-maker is heard at those committee meetings is paramount to providing ethical care.

THA and other stakeholders set out in the summer of 2022 to craft clarifying legislation for the Texas Advance Directives Act's (TADA's) dispute resolution process, and its 2017 state law governing in-hospital do-not-resuscitate orders. What followed were more than 40 hours of face-to-face negotiations between THA and groups as diverse as the Texas Medical Association, Texas Right to Life, the Texas Alliance for Life and the Texas Catholic Conference of Bishops. That hard work resulted in landmark, agreed-upon legislation by Rep. Stephanie Klick (R-Fort Worth), which easily passed both chambers and was signed into law.

Among its most important changes:

- The person responsible for making a patient's treatment decisions must be notified in writing of an ethics committee meeting to discuss the patient's directive at least seven calendar days in advance, instead of the current two days.
- If a facility ethics committee decides that continuing life-sustaining treatment would not be appropriate, the current 10-day period for a facility to find a transfer destination for the patient before it can withdraw life-sustaining treatment will now be a minimum of 25 days.

While the stakeholder agreement on – and passage of – HB 3162 is a monumental step for clarifying TADA, it also will introduce complicated nuances for hospitals to implement. THA is planning to produce a webinar this summer that will examine the new law's implications in full. (*HB 3162*)

Hospital Operations

Another area where THA was largely called on to play defense, hospital operations-related legislative measures this session often contained ideas that would have spelled trouble for facilities and patient care alike. THA set about opposing such measures outright, or helping lawmakers to shepherd them into a more palatable alternative before passage – and met with success in doing so.

Noncompete Agreements

THA defended against an attempt to restrict contract terms between private parties – namely providers and the hospital systems that employ them – that the state has historically left alone with minimal intervention. As filed, a measure by physician-legislators Sen. Charles Schwertner, MD (R-Georgetown) and Rep. Greg Bonnen, MD (R-Friendswood) would have limited noncompete agreements for physicians and other practitioners to a one-year time frame, limited geographic restrictions to a 10-mile radius, and capped any buyout provision at one year of the physician's salary. THA testimony warning about the bill's "arbitrary restrictions" didn't prevent the bill from passing the Senate, but THA advocacy helped stall the bill across the Capitol and prevent its ultimate passage. (*SB 1534/HB 3411*)

Mandatory Podiatrist Privileges

THA opposed companion bills by Rep. Stephanie Klick (R-Fort Worth) and Sen. Juan "Chuy" Hinojosa (D-McAllen) that would not allow hospitals to deny podiatrists privileges "solely on the grounds that the applicant is a podiatrist rather than a physician." During testimony against the House version, THA testified that physicians are treated the same way under the current law – that is, they're subject to patient care-related decisions about their privileges, made by the hospital's independent medical staff and governing body, based on their qualifications. THA's testimony said the bill would undermine the medical staff's and governing body's ability to assess what their facility needs to deliver high-quality care. Although the Senate version made it out of that chamber, neither bill achieved ultimate passage. (*HB 1767/SBl 730*)

Bundled Pricing

Rep. Gary Gates (R-Richmond) authored a measure that would have created a bundled pricing model in the Employees Retirement System of Texas – a pricing model hospitals have had trouble with, THA noted in written committee testimony, because it "tends to drastically reduce reimbursement for services – especially when routine procedures require unexpected interventions by additional providers." With THA's opposition, the bill did not make it out of the House. (*HB 840*)

Surgical Smoke

Despite negotiations on language between THA, Houston Democrats Rep. Ann Johnson and Sen. Borris Miles, and the Association of periOperative Registered Nurses (AORN), THA and the other parties couldn't clear the air on the lawmakers' proposal to mandate specific surgical smoke evacuation systems in hospitals, resulting in THA's opposition until the bill sputtered to a stop short of the House finish line. THA sought language that would allow medical teams to exercise their judgment on what equipment is appropriate for their settings and procedures. Neither bill made it out of its originating chamber. (*HB 4365/SB 707*)

Disciplinary Reporting to TMB

Negotiations by THA improved a measure by Rep. Julie Johnson (D-Farmers Branch) that, as passed, requires a hospital peer review committee to report to the Texas Medical Board any actions that would affect a doctor's privileges for longer than 14 days, instead of the current 30-day standard. THA was initially concerned with the filed bill's reporting requirement not being consistent with National Practitioner Data Bank guidelines, as well as the lack of guidelines on minimum-infraction reporting, which would qualify minor administrative infractions as being reportable. The author addressed the THA concerns sufficiently to shift THA's position to neutral on the bill. It passed both chambers and was signed into law. (*HB 1998*)

Monthly Reports on Suspected Child Abuse Cases

THA opposed a bill by Sen. Bob Hall (R-Edgewood) that would have introduced onerous new burdens on hospitals in the realm of their existing requirement to report suspected child abuse. Sen. Hall's bill would have required hospitals to submit a monthly report to the state containing several pieces of information, including its number of reports to the state that month regarding alleged or suspected child abuse, exploitation or neglect. A committee substitute for the bill added a requirement for the monthly report to contain a signed affidavit from each agent or employee of the hospital who made such a report. THA noted that the legislation would likely have a chilling impact on the reporting of suspected child abuse and emphasized that a monthly reporting process would be overly burdensome, hindering the immense responsibility hospitals already have to report abuse. The bill died in committee. (*SB 1197*)

Onsite Physician Requirement

Requiring every hospital – even the ones in sparse, rural areas – to have a physician present onsite at all times isn't workable, and it would likely force rural facilities with staffing struggles to close. But a committee substitute for a bill by Sen. Charles Schwertner, MD (R-Georgetown) sought to make having an onsite physician a requirement, and also would have allowed hospital patients to request that a physician perform all health care services. In opposing the bill, THA noted that the legislation would undermine existing law that allows Level 4 trauma facilities in sparse counties to use telemedicine to satisfy the onsite physician requirement. The bill didn't make it out of committee. (*SB 1193*)

Physical Exam Prior to Psychiatric Admission
With less than a month to go in the session – well after the bill filing deadline, due to the Senate's rules that allow for such surprises – Sen. Donna Campbell, MD (R-New Braunfels) filed a measure that would prohibit inpatient admission at a mental health facility unless the patient had undergone a physical examination. THA opposed the bill and noted in committee testimony that many psychiatric facilities do not have physicians available 24 hours a day. Also, THA noted, existing law requires an initial assessment by a "qualified person" and a physician exam within 24 hours. After passing the Senate, the bill died in the House. (*SB 2628*)

Allowing Treatment by an Outside Physician
Sen. Bob Hall (R-Edgewood) proposed a measure requiring hospitals to grant a patient's request for a physician "who is not a member of the hospital's medical staff" to treat the patient. The strongly THA-opposed measure appeared to be a response to hospitals refusing COVID-19 patients' requests to combat the disease with unproven treatments, such as ivermectin. The bill didn't make it out of committee. (*SB 299*)

Abortion Clarification
After the U.S. Supreme Court ruled in June 2022 that a constitutional right to abortion didn't exist in Dobbs v. Jackson Women's Health Organization, Texas hospitals asked the state's leadership for clarifications to be made in the multiple state statutes on the provision of abortion care. While an overhaul did not occur, a bill by Rep. Ann Johnson (D-Houston) and Senate sponsor Sen. Bryan Hughes (R-Mineola) was filed and quietly amended to provide civil, criminal and regulatory clarifications around physicians' use of reasonable medical judgment for ectopic pregnancies and pregnancies involving premature rupture of membranes, as well as pharmacy dispensing. THA worked behind the scenes to help pass that legislation. Gov. Abbott signed the bill into law. (*HB 3058*)

COVID-19 Public Health Measures

The anti-science movement didn't dissipate with the waning of COVID-19; in fact, during this session, it influenced dozens of pieces of legislation taking aim at prohibiting vaccinations and other public health measures.

THA focused on pursuing appropriate exemptions – also known as carve-outs – from these measures so that hospitals could continue requiring vaccinations, masking and other public health measures as appropriate to keep facilities and patients safe. That approach proved extremely successful, as hospitals were carved out of the anti-vaccination and anti-masking legislation that passed, and even out of many of the bills that ultimately died. A bill from Sen. Brian Birdwell (R-Granbury) that was signed into law prohibits governmental entities – local or state – from imposing face-covering or vaccine mandates to control COVID-19. But government-owned hospitals are exempted entirely from the face-covering mandate prohibition, and the anti-vaccine mandate language did not apply to hospital staff subject to the federal Medicare vaccine requirement for COVID-19 (which has since been withdrawn by the Centers for Medicare & Medicaid Services, effective in August 2023). THA also lobbied for and won an exemption for oncology care and organ transplant services from a bill by Rep. Valoree Swanson (R-Spring) prohibiting denial of services to a Medicaid or Children's Health Insurance Plan recipient "based solely on the recipient's or enrollee's refusal or failure" to be vaccinated "for a particular infectious or communicable disease." That bill also was signed into law.

THA also expended considerable advocacy capital to exempt hospitals from a bill by Sen. Lois Kolkhorst (R-Brenham) that broadly sought to prohibit COVID-19 preventive measures. Sen. Kolkhorst's bill morphed into multiple iterations, ending its run as part of legislation by Rep. Four Price (R-Amarillo) before dying. (*SB 29/HB 44/SB 1024/ HB 1105*)

Network Adequacy

Supporting a push to hold health insurers accountable for skirting network adequacy standards, THA backed a broad measure by Rep. Greg Bonnen, MD (R-Friendswood) that would increase transparency on the reasons why health insurers request waivers from compliance with those standards. The bill, which was signed into law, also establishes time and distance standards for network adequacy modeled after Medicare, and clarifies that post-stabilizing care provided after an emergency condition is subject to the protections of Texas' law generally banning balance billing, a position THA has supported since the passage of that law in 2019. Rep. Bonnen's adequacy bill, THA said in written committee testimony, "is designed to ensure that insurance companies are selling insurance products that will adequately meet the needs of their enrollees when they need it most." (*HB 3359*)

Prudent Layperson Standard

THA supported a bill by Rep. Tom Oliverson, MD (R-Cypress) to strengthen the prudent layperson standard for emergency care coverage, which clarifies that coverage must be determined by the patient's presenting symptoms and a prudent layperson's understanding of medicine, not the final diagnosis. THA worked extensively with Rep. Oliverson and the author of the Senate companion, Sen. Charles Schwertner, MD (R-Georgetown) to ensure the prudent layperson standard was codified into the definition of the bill. Unfortunately, the bill was weakened by a health plan-backed amendment on the House floor and did not make it through the Senate after the Senate author stripped out that amendment. (*HB 1236/SB 1139*)

Gender-Affirming Care

On the heels of an early 2022 opinion issued by state Attorney General Ken Paxton – which asserted that gender-affirming care performed on minors constituted child abuse under existing state law – the Legislature dove into that hot-button cultural issue. Senate Bill 14 by Sen. Donna Campbell, MD (R-New Braunfels) sought to codify the central piece of General Paxton's opinion, putting forth a ban on gender transition/sex reassignment surgery or the use of puberty-blocking medication on children under 18.

From the outset, THA's interest in the bill was the pursuit of exception language in the proposed ban in order to avoid troubling disruptions in continuity of care. Specifically, THA sought for the bill to allow for children who are legally transitioning in their home state, and visiting Texas, to be able to continue receiving their normal, daily medication regimen if they must be hospitalized in Texas. As THA explained in written testimony on the House companion to the bill in March, "Abruptly discontinuing puberty suppression/blocking medications for a child undergoing gender transition could actually do harm to the child." At one point, SB 14 did include THA's desired language to preserve continuity of care, but the Senate stripped that language out after loud backlash from the Texas Republican Party before sending the bill to the House, and the bill passed without it. However, the bill signed into law did include narrow exception language that allows Texas children who had begun gender transition-related medication by June 1, 2023, to wean off the medication "over a period of time and in a manner that is safe and medically appropriate and that minimizes the risk of complications."

Additionally, Rep. Tom Oliverson, MD (R-Cypress), the House sponsor of the legislation, and Rep. Donna Howard (D-Austin) engaged in a back-and-forth conversation on the House floor outlining legislative intent when it comes to SB 14's impact on continuity of care. That conversation occurred at THA's request to assist hospitals and physicians as they interpret the updated law. (*SB 14/HB 1686*)

Method of Finance

Continued reauthorization of the state's local provider participation funds (LPPFs) – the building blocks for combined state and federal financing of Texas Medicaid supplemental payments – is essential to providing care for the state's most vulnerable populations. LPPFs in seven jurisdictions were slated to expire in either 2023 or 2024 if not renewed, but separate legislation passed to renew each one: Bexar, El Paso, Harris, Jefferson, Nacogdoches, Travis and Wichita counties. Also passed was a measure to reauthorize these seven LPPFs statewide, which Rep. Trent Ashby (R-Lufkin) filed. The statewide bill was signed by the governor and became effective immediately. (*Statewide renewal: HB 3456*)

White-Bagging

Texas hospitals were staunchly in support of a prohibition on the insurer practice known as "white bagging" as laid out in a bill by Rep. Cody Harris (R-Palestine) and the companion bill by Sen. Charles Schwertner, MD (R-Georgetown). As filed, the bills would have banned insurance companies from requiring drugs to be purchased through specialty pharmacies for patients undergoing life-threatening conditions. However, under pressure from insurance companies, a committee substitute cut hospitals out of the white-bagging ban on both the House and Senate sides. THA urged bill authors to put hospitals back into the bill during testimony, to no avail. Sans hospitals, the House version of the bill made it through to the governor's desk and was signed into law. (*HB 1647/SB 1138*)

Guns and Hospital Safety

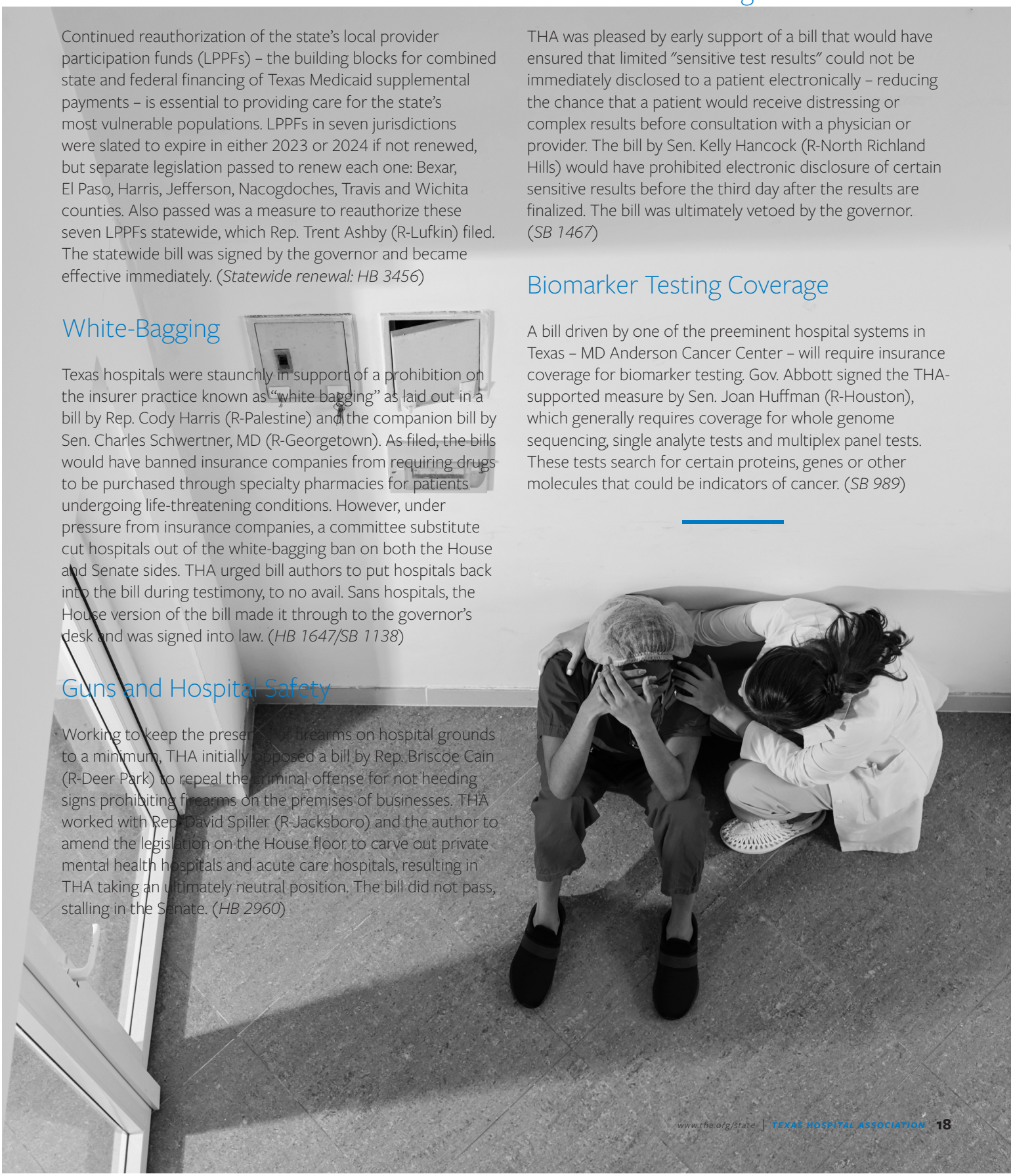
Working to keep the presence of firearms on hospital grounds to a minimum, THA initially opposed a bill by Rep. Briscoe Cain (R-Deer Park) to repeal the criminal offense for not heeding signs prohibiting firearms on the premises of businesses. THA worked with Rep. David Spiller (R-Jacksboro) and the author to amend the legislation on the House floor to carve out private mental health hospitals and acute care hospitals, resulting in THA taking an ultimately neutral position. The bill did not pass, stalling in the Senate. (*HB 2960*)

Information-Blocking

THA was pleased by early support of a bill that would have ensured that limited "sensitive test results" could not be immediately disclosed to a patient electronically – reducing the chance that a patient would receive distressing or complex results before consultation with a physician or provider. The bill by Sen. Kelly Hancock (R-North Richland Hills) would have prohibited electronic disclosure of certain sensitive results before the third day after the results are finalized. The bill was ultimately vetoed by the governor. (*SB 1467*)

Biomarker Testing Coverage

A bill driven by one of the preeminent hospital systems in Texas – MD Anderson Cancer Center – will require insurance coverage for biomarker testing. Gov. Abbott signed the THA-supported measure by Sen. Joan Huffman (R-Houston), which generally requires coverage for whole genome sequencing, single analyte tests and multiplex panel tests. These tests search for certain proteins, genes or other molecules that could be indicators of cancer. (*SB 989*)



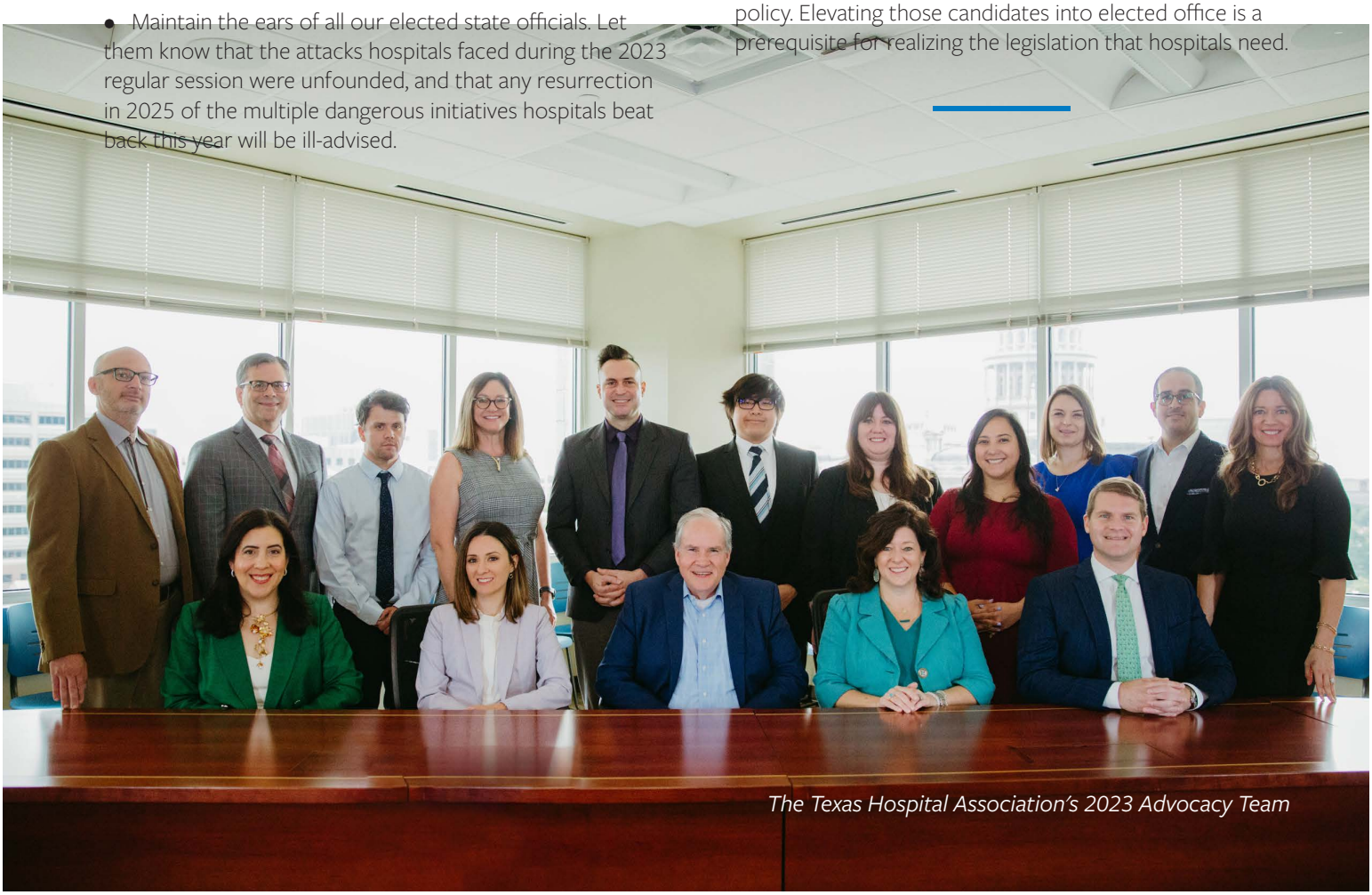
GOING FORWARD: STAY ATTUNED, STAY INVOLVED

While in common parlance, most people think of the Texas Legislature as only meeting "every two years" or "every odd-numbered year," that isn't strictly the case.

What happens between those regular sessions – as legislative committees meet in the even-numbered years to examine interim charges – is just as important as the nitty-gritty work that happens when the Legislature is in session to consider bills. The groundwork for the next regular session is laid in that period, and hospital advocates need to continue building relationships with their elected officials, letting them know – on a continuing basis – what challenges hospitals face. And of course, major elections occur every two years, including the contesting of every seat in the Texas House of Representatives .

As such, we can collectively work together to:

- Maintain the ears of all our elected state officials. Let them know that the attacks hospitals faced during the 2023 regular session were unfounded, and that any resurrection in 2025 of the multiple dangerous initiatives hospitals beat back this year will be ill-advised.
- Push back on the anti-hospital sentiment that continues to circulate among lawmakers and the general public. Double down on work to offer broad education on the critical role of hospitals in Texas communities – and engage local leaders and digital channels to air this perspective and help control the narrative.
- Advocate for issues we know will again be a priority in the 2025 session. It's never too early to talk about issues such as the state waiver from the federal institutions for mental diseases exclusion in Medicaid, or the prudent layperson standard for emergency care.
- Engage with elected officials and candidates through HOSPAC, THA's political action committee. HOSPAC identifies, endorses and donates to candidates at both the state and federal levels who have a willingness to discuss difficult issues and believe in good health care and hospital policy. Elevating those candidates into elected office is a prerequisite for realizing the legislation that hospitals need.



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Thursday, July 27, 2023

Harris Health System Council-At-Large June Meeting Minutes

Harris Health System Council-At-Large Meeting Minutes

- June 12, 2023

MINUTES OF THE HARRIS HEALTH SYSTEM COUNCIL AT LARGE COMMITTEE
June 12, 2023

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
I. Call to Order	The WebEx meeting was called to order by Fadine Roquemore at 5:00pm. ***Council Members in Attendance:*** • Acres: Sheila Taylor • Baytown: Pamela Breeze, Don Nichols • BTGH: M. Ahmadi • Casa: Daniel Bustamante • Gulfgate: Teresa Recio, Patricia Shepherd • Homeless: Ross Holland • LBJH: Velma Denby • MLK: Fadine Roquemore • Thomas St: Josh Mica • Vallbona: Cynthia Goodie ***Harris Health System Attendees:*** Esmaeil Porsa, Matthew Schlueter, Louis Smith, Jon Hallaway, Sunny Ogbonnaya, Patrick Casey, Dr. Matasha Russell, Binta Baudy, Lydia Rogers, Lady Barrs, Olevia Brown, Melvin Prado, Collin Bentley, Leslie Gibson, Candice Jones, Tracy Burdine, Dawn Jenkins, Sarah Rizvi, Robin Luckett, Monica Salinas, Nina Jones ***Board Members in Attendance:*** Alicia Reyes	
II. Moment of Silence	Moment of Silence observed.	
III. Approval of Minutes	Minutes approved as written.	
IV. Council Reports	**Acres Home – Sheila Taylor** • No council meeting held today because of summer obligations. • Overall we are still looking good. • Mammography staffing is low. **Baytown – Pamela Breeze** • June 2022 to May 2023 we had 6,466 unique patients. Year to date, 12,232 patients visits.	

MINUTES OF THE HARRIS HEALTH SYSTEM COUNCIL AT LARGE COMMITTEE
June 12, 2023

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Council Reports *(continued)* • Operation Scorecard; No Show rate is 20%. Cycle time is 69 minutes, goal is 75. HEDIS metrics for 2023: National Benchmark has 10% improvement from last year. Patient Satisfaction 88.1%, last year to date was 89.8% • Dr. Brian Hite has been selected as Medical Director. • We are currently working with the local food pantry to provide services to our patients and clinics with food pharmacies. • Mammography suite should be open by the end of this month. • Currently recruiting full time physicians; one full time Family Practice and one full time Pediatric Nurse Practitioner. **Casa de Amigos – Daniel Bustamante** • There was no council meeting this month. • Staff reports construction is moving accordingly. We've had several power outages but everything is going well. **Gulfgate – Teresa Recio** • The council met today, June 12th. • Administration reported excellent statistics in patient satisfaction and quality. As of April 2023, Gulfgate is financially under budget by 12.65%. • DNV survey results - zero findings at Gulfgate. • Council members have been onsite recruiting. So far, we have 4 people that are interested in joining. We will continue recruiting before next election in October. **Homeless – Ross Holland** • The council met on June 6th. One of the council members recently attended the National Healthcare for the Homeless Conference and came back with new ideas on improving services. • The Mobile Unit is back up and running.	

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Council Reports *(continued)* • We discussed ways to increase collection of patient satisfaction surveys from the various clinics and outreach services to improve overall. **MLK – Fadine Roquemore** • My concern is getting more people involved in the council. My members are older and are not well. If anyone has ideas as to what we can do to improve our numbers, it would be wonderful to hear from each person. **Thomas Street – Josh Mica** • I would like to thank everyone who came out to Quentin Mease. It was an epic event. • Satisfaction scores for Thomas Street 95.5%. Recommended Provider is 90% and Viral Load Suppression is at 80%. *I'm just worried that the Viral Load Suppression is going to drop because of Community Health Choice decision.* **Vallbona – Cynthia Goodie** • We held an in-person meeting on June 7th. • June 2022 - May 2023 we had 18,535 unique patients screened at Vallbona. Year to date, we have 36,748 patient visits. Operation scorecard for May: No Show rate is 19%, goal is 20%. Cycle Time is 45 minutes, the goal is 75. HEDIS metrics are met. Patient Satisfaction is 88.1%, year to date is 90.6%. • Plans are underway to relocate Robin Dale clinic to the 2nd floor annex building. • Recruiting for 3 positions. • Plans to expand radiology department for mammography and another x-ray unit. **Ben Taub Hospital – M. Ahmadi** • Ms. Luckett reported Mr. Ahmadi is on the call but having communication problems.	

MINUTES OF THE HARRIS HEALTH SYSTEM COUNCIL AT LARGE COMMITTEE
June 12, 2023

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Council Reports *(continued)* **Lyndon B. Johnson Hospital – Velma Denby** • Met with Ms. Rizvi last week, it was a successful meeting. • Eligibility update: Had a follow-up meeting with the Director of eligibility. She and her team have agreed to make some changes to the application forms. Once finalize, we will meet again. • Ms. Rizvi and I discussed the ongoing parking issues and rude behavior of the parking attendant. I shared with her a number of incidents that could have created a security incident. Long lines due to broken gate and the LAZ parking employee behaved very rude and created a sensitive situation. Ms. Rizvi has a willingness to communicate some of the concerns and addressed them with the appropriate party. *Mrs. Roquemore thanked everyone for their well-informed reports.*	
V. Old Business	No Old Business	
VI. Community Medicine	**Dr. Matasha Russell** As many of you have talked about the Quentin Mease grand re-opening was a very beautiful occasion. There was a lot of history shared about Quentin Mease the man and his indelible legend that he has left with our system. They talked a lot about the history of Thomas Street and Riverside Dialysis Center as well. Thomas Street is already in the facility and seeing patients. Our Dialysis and Endoscopy areas will be opening later this year and we are really looking forward to that. ***Primary Care Operations Scorecard:*** Across the board we are doing well. There's a nice bar of green throughout this report. The No Show rate is still below 20%. Cycle time is efficient. 3rd availability is doing well.	

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
Administration	**Community Medicine *(continued)*** ***HEDIS Scorecard Data Reporting Period:*** • As many of the council members have mentioned, overall we are meeting most of our goals. We're above the stretch goal. Hypertensive care areas we are meeting our internal goals. However, area of concern is Hemoglobin A1C. It appears to have reverted back in the month of April to meeting expectations, for the last three months we were exceeding expectations. There are many variables that can impact patient's blood sugar control and we really want to look at those variables so we can continue to move that needle in a positive direction. **Questions/Comments:** None **Dr. Esmaeil Porsa, President/CEO** • Dr. Porsa thanked the council members for attending the dedication at the new health center. He stated, he is very excited about what this facility is going to provide in the community and watching it grow. • Dr. Porsa reported on last week he presented the 2.5 billion dollar bond proposal to Commissioners Court. The proposal will allow; replacement of LBJ Hospital, refurbishing of current hospital. Investment at Ben Taub hospital, adding more capacity to it. Also, investing 500 million dollars in the community clinics (to include 3 new clinics, expansion and renovation of existing clinics to increase capacity). **Questions/Comments:** ○ Mrs. Reyes commented it would be good if a copy of the presentation could be sent to the council members for review prior to meeting.	Dr. Porsa will present proposal in next CAL meeting.

MINUTES OF THE HARRIS HEALTH SYSTEM COUNCIL AT LARGE COMMITTEE
June 12, 2023

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Administration *(continued)* **Dr. Matthew Schlueter, CNO on behalf of Dr. Jennifer Small, Executive Vice President, Ambulatory Care Service** • ACS in conjunction with the Physical Health Foundation is participating in a community wide assessment of services that are available within Harris County as well as the needs of existing community centers. This is an ongoing process that will give us additional data to help garner the services we need to provide. • Settegast Health center participated in a health fair sponsored by the Community Super Neighborhood. Harris County Public Health in coordination with Harris Health Population Team invited everyone to participate. It was a very successful event. A lot of great information was provided to the public on general health, community resources, legal and financial assistance, etc. • Harris Health launched a program called Computers for Healthy Living. This is to provide digital computer access within the communities that may not have access to computers. It is staffed by the community center support staff. It was well attended on May 30th. The initial location was Magnum Health Community Center and in collaboration with Precinct 2-Commissioner Garcia, Dr. Porsa and Mr. Young. Thank you to Administration for attending. We will be looking forward to offering this service to Precinct 4-Commissioner Briones, at Bayland Community Center and also the new space allocations. • We look forward to Riverside Dialysis opening at Quentin Mease soon. We will keep the council at large updated on how those services are going. **Questions/Comments:** None	

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Administration *(continued)* **Dr. Sunny Ogbonnaya, Admin. Director Outpatient Pharmacy & Pharmacy Business** • In the month of May, we filled 163,757 prescriptions. 70% of them, a total of 114,657 prescriptions were delivered to our patients homes. We thank our patients for the opportunity to provide this home delivery service. We received and process 41, 350 refill request. This number represents 69.5% of all refill request received in the month of May. We thank all of our patients for using My Health to request prescription refills. *We wish to encourage all our patients to take advantage of our prescription home delivery service and to please use my health when requesting prescription refills 7 to 10 days before running out.* **Questions/Comments:** ○ Josh Mica stated he wanted to update the council about the bipolar patient he mentioned in the last CAL meeting. He stated, the patient went to an affiliate Harris Health facility and thought he could bring the prescription to Harris Health to get filled. How is Harris Health making sure the affiliate locations let the patients know they are not eligible to fill prescriptions at Harris Health? That was the confusion. *Dr. Ogbonnaya stated we will follow-up with the overseers, especially in the pharmacy to help spread the word. We will use the pharmacy to convey the eligibility criteria.* **Patrick Casey, SVP Facilities, Construction & Systems Engineering** • Quentin Mease 5th floor is on scheduled. Tracking December 2023 for completion. ○ Mr. Mica asked what's going to be on the 5th floor. *Mr. Smith, COO responded, It's still under development what services will occupy the 5th floor.* • Casa De Amigos Phase 1 completion has been extended to December due to unforeseen conditions (i.e. plumbing, electrical, etc.) **Questions/Comments:** ○ Mr. Bustamante asked have there been any additional theft issues.	

MINUTES OF THE HARRIS HEALTH SYSTEM COUNCIL AT LARGE COMMITTEE
June 12, 2023

AGENDA	DISCUSSION	ACTION/S – PLAN/S RESPONSIBLE PERSON/S ASSIGNMENT/S TARGET DATE/S
	Questions/Comments *(continued)* *Mr. Casey responded he was not aware of any new issues.* *Mr. Hallaway also responded, no recent issues.* **Jon Hallaway, Program Director, Department of Public Safety(DPS)** • Mr. Hallaway reported, we have a new security director at LBJ, I will be following up with him about Ms. Denby's concern. • Very appreciative with the security staff for all of the support they gave with the move to Quentin Mease and grand opening. • For your information, we are getting new uniforms for the security officers. They're going to follow a new color scheme. **Questions/Comments:** ○ Ms. Denby clarified it was not LBJ security, they are very professional. It was the LAZ parking employee that was behaving unprofessional. *Mr. Smith commented we will follow up with the appropriate individuals. We appreciate you forwarding this information to us.*	
VII. New Business	Ms. Goodie mentioned there is a very beautiful cafeteria at Quentin Mease. Mr. Bustamante inquired about the Town Hall meeting occurring late June or early July. *Dr. Porsa responded, he will be talking about the bond proposal. Mr. Reid will talk about employment opportunity in Harris Health. We will also talk about our MWBE program and Eligibility program.* Mrs. Roquemore thanked everyone for attending the meeting. She stated if there's anything imperative that you want to share, please do so. There will be no meeting in August. Mrs. Reyes thanked everyone on the call and stated she appreciates the time everyone makes to speak on behalf of their community. She commented, she attended the dedication that was well attended and Mr. Mease represented many things in the community, health care was just one of them. He was an educator, mentor, civil rights advocate. It was a beautiful ceremony. Dr. Brass and I attended on behalf of the Board of Managers.	
VIII. Adjournment	Motion to adjourn the meeting granted at 5:51pm.	**Next Meeting: July 10, 2023**

MINUTES OF THE HARRIS HEALTH SYSTEM COUNCIL AT LARGE COMMITTEE
June 12, 2023

Thursday, June 27, 2022

Review and Acceptance of the Following Reports for the Healthcare for the Homeless Program as Required by the United States Department of Health and Human Services which Provides Funding to the Harris County Hospital District d/b/a/Harris Health System to Provide Health Services to Persons Experiencing Homelessness under Section 330(h) of the Public Health Service Act

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Attached for Review and Acceptance:

- **HCHP July 2023 Operational Report**

Administration recommends that the Board approves the Healthcare for the Homeless Program Reports as required by the United States Department of Health and Human Services which provides funding to the Harris County Hospital District d/b/a/ Harris Health System to provide health services to persons experiencing homelessness under Section 330 (h) of the Public Health Service Act.

HARRIS HEALTH SYSTEM

Health Care for the Homeless
Monthly Update Report – July 2023

Jennifer Small AuD, MBA, CCC-A, Executive Vice President, Ambulatory Care Services
Tracey Burdine, Director, Health Care for the Homeless Program

Agenda

- Operational Update
  - Patient Services
  - Patient Satisfaction Report
  - HCHP Consumer Advisory Report

Patients Served

Telehealth Visits

- Telehealth New Patients: 0
- Telehealth Return Patients: 99

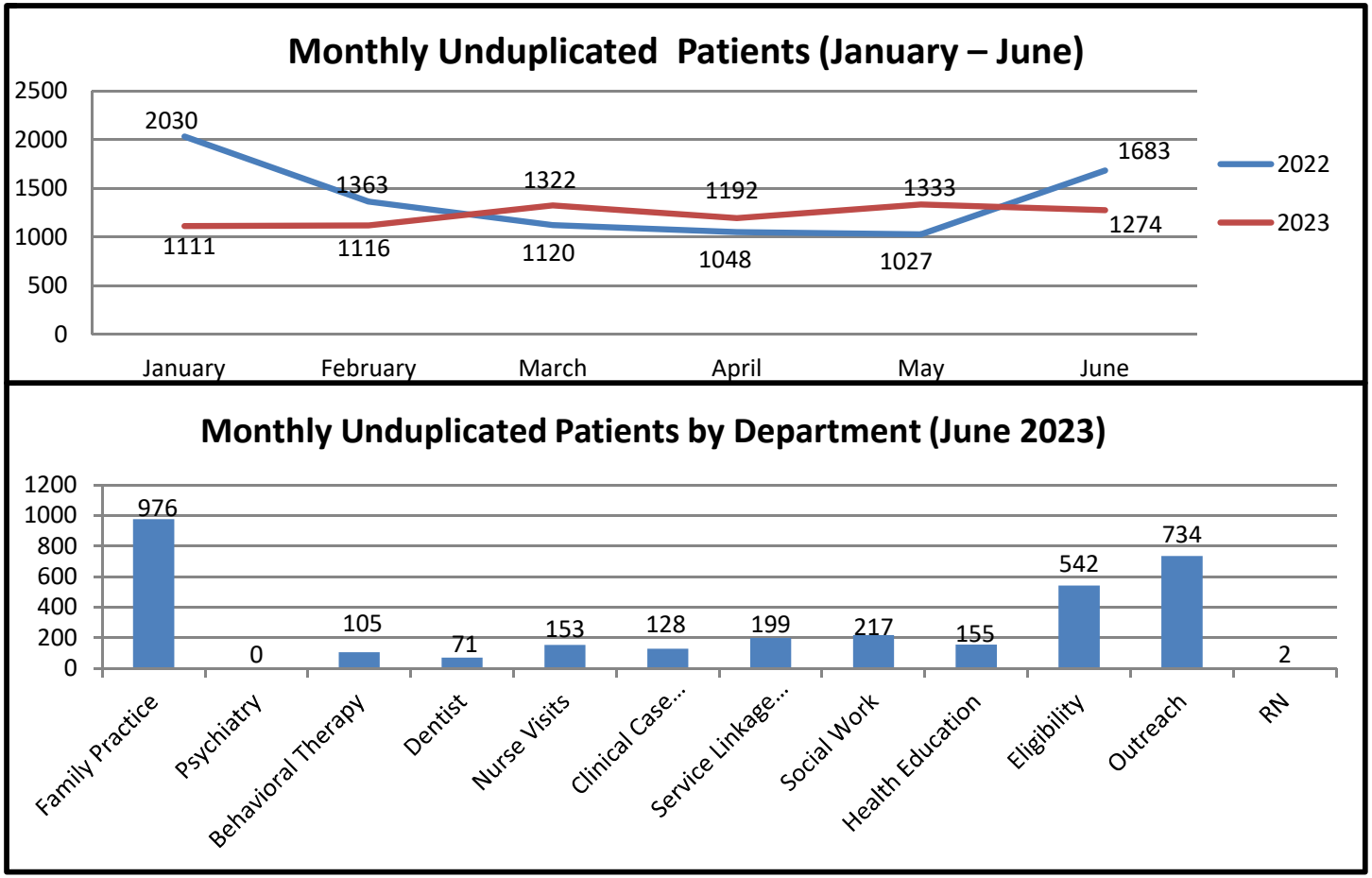
New Patient Visits

- Adult New Patients: 379
- Pediatric New Patients: 22

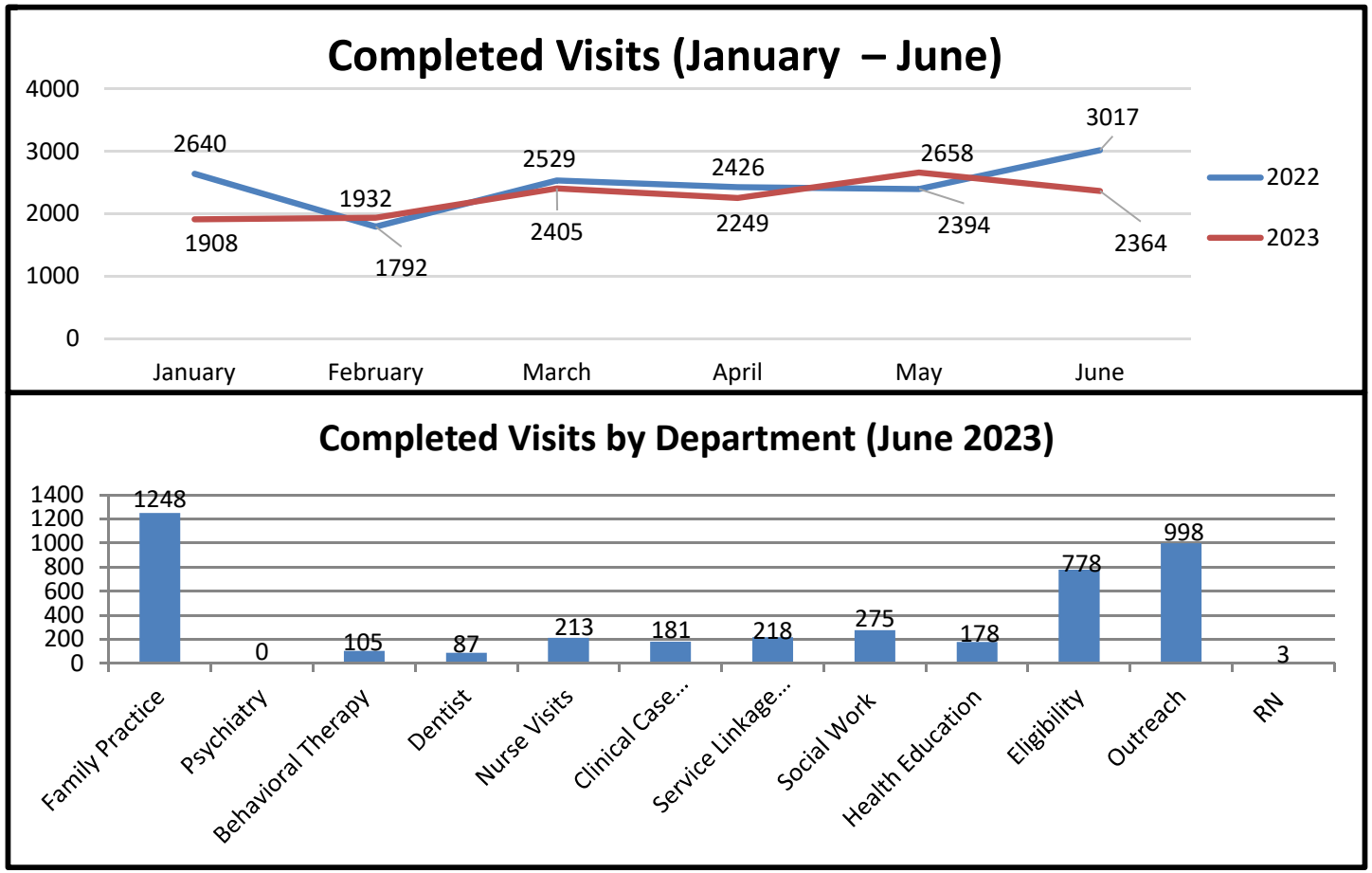
HRSA Target: 9775

- Unduplicated Patients: 4,188
- Total Complete Visits: 13,669

Operational Update



Operational Update



Operational Update

Consumer Advisory Council Report

Highlights of Council Activities from March 2023 – May 2023

- The council was informed of changes in scope approved by Health Resources Services Administration (HRSA), such as the opening of the Navigation Center clinic, changes in hours at some sites, and the closing of the Salvation Army Family clinic. The council members were informed about the evening clinic pilot at Harmony House.

- The council approved applying for the Ending of the HIV Epidemic Primary Care HIV Prevention funding opportunity. Council members were informed about the one-year grant extension of the American Rescue Plan grant.

- The members met with the Director of HCHP to discuss their ideas for the HCHP strategic plan.

- The council was updated on the process of the 2023 needs assessment and the creation of new survey for capturing the needs of patients and non-patients that are experiencing homelessness.

- The council approved the 2023 HCHP Quality Management Plan.

Thursday, June 27, 2022

Review and Acceptance of the Following Reports for the Healthcare for the Homeless Program as Required by the United States Department of Health and Human Services which Provides Funding to the Harris County Hospital District d/b/a/Harris Health System to Provide Health Services to Persons Experiencing Homelessness under Section 330(h) of the Public Health Service Act

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Attached for Consideration of Approval:

- **Consumer Advisory Council Report**

Administration recommends that the Board approves the Healthcare for the Homeless Program Reports as required by the United States Department of Health and Human Services which provides funding to the Harris County Hospital District d/b/a/ Harris Health System to provide health services to persons experiencing homelessness under Section 330 (h) of the Public Health Service Act.

HCHP Consumer Advisory Council Report

Highlights of Council Activities from March 2023 – May 2023:

- Members received updates on ongoing operational changes at Harris Health and the Health Care for the Homeless Program (HCHP).

- Members reviewed reports related to quality and performance improvement, productivity, and patient satisfaction, with corresponding corrective action plans.

- Members provided updates on new encampment areas on which to conduct outreach services. Provided ideas for improving immunization rates and the number of clients accessing services. There were discussions about the clearing of encampments and the council provided ideas on how to provide services to people experiencing homelessness in these situations.

- The council was informed of changes in scope approved by Health Resources Services Administration (HRSA), such as the opening of the Navigation Center clinic, changes in hours at some sites, and the closing of the Salvation Army Family clinic. The council members were informed about the evening clinic pilot at Harmony House.

- The council approved applying for the Ending of the HIV Epidemic Primary Care HIV Prevention funding opportunity. Council members were informed about the one-year grant extension of the American Rescue Plan grant.

- The members met with the Director of HCHP to discuss their ideas for the HCHP strategic plan.

- The chair shared information from the council-at-large meetings.

- The council members were updated on the results of the Health Resources and Services Administration (HRSA) operational site visit.

- The council received updates on the final 2022 UDS report and received a copy of the Comparison of 2019 – 2022 UDS Reports.

- The council was updated on the process of the 2023 needs assessment and the creation of new survey for capturing the needs of patients and non-patients that are experiencing homelessness.

- The council approved the 2023 HCHP Quality Management Plan.

BOARD OF TRUSTEES

Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, July 27, 2023

Executive Session

Review of the Community Health Choice Texas, Inc. and Community Health Choice, Inc. 2023 Financial Performance for the Five Months Ending May 31, 2023, Pursuant to Tex. Gov't Code Ann. §551.085 and Tex. Gov't Code Ann. §551.071

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BOARD OF TRUSTEES

Meeting of the Board of Trustees

HARRISHEALTH SYSTEM

Thursday, July 27, 2023

Executive Session

Consultation with Attorney Regarding Bond Election Related Matters, Pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Upon Return to Open Session

- Page 231 Was Intentionally Left Blank -

Thursday, July 27, 2023

Executive Session

Consultation with Attorney, Pursuant to Tex. Gov't Code Ann. §551.071 Regarding Settlement of Amounts Owed for Services Rendered by Harris Health System to the Harris County Community Supervision & Corrections Department and Possible Action Upon Return to Open Session

- Pages 233- 235 Were Intentionally Left Blank -

Thursday, July 27, 2023

Executive Session

Consultation with Attorney Regarding Opioid Litigation, Pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action Upon Return to Open Session, Including Consideration of Approval to Participate in the Settlement with Walgreens, CVS, and Walmart as it Relates to the Texas Opioid Multi-district Litigation.

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