

MINUTES OF THE HARRIS HEALTH SYSTEM BOARD OF TRUSTEES
Special Call Board Meeting
Thursday, August 22, 2024
9:30 a.m.

AGENDA ITEM	DISCUSSION	ACTION/RECOMMENDATION
I. Call to Order and Record of Attendance	The meeting was called to order at 9:41 a.m. by Dr. Andrea Caracostis, Chair. It was noted that a quorum was present and the attendance was recorded. Dr. Caracostis 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. Only participants scheduled to speak have been provided dial in information for the meeting. All others who wish to view the meeting may access the meeting online through the Harris Health website: http://harrishealthtx.swagit.com/live .	A copy of the attendance is appended to the archived minutes.
II. Public Comment	There were no public speakers registered to appear before the Board.	
III. Discussion and Possible Action Regarding the Fiscal Year 2025 Harris Health Budget and Request by Commissioner's Court for Proposals Related to Phased Transition of Jail Medical Services to Harris Health	Ms. Victoria Nikitin, Executive Vice President, Chief Financial Officer, led the discussion Regarding the Fiscal Year 2025 Harris Health Budget and Request by Harris County Commissioner's Court for Proposals Related to Phased Transition of Jail Medical Services to Harris Health. She noted that the financial models used for projecting Harris Health's year-end 2024 results and the FY 2025 budget are still pending final calculations from the Texas Health and Human Services Commission (HHSC). This includes Uncompensated Care (UC) and High Impecunious Charge Hospital (HICH) pool from Medicaid supplemental revenues. She stated that, although the pool was initially modeled at \$500 million statewide, HHSC has set it at \$300 million, a decrease from the previous year. For Harris Health, this results in a \$37 million shortfall for FY 2024, reducing the anticipated amount from \$120 million (5%) to approximately \$80 million (3.6%). This reduction will carry into FY 2025, translating to a \$35 million decrease in the budget's revenue line item. HHSC has full discretion over this allocation, and Harris Health will incorporate this loss into its FY 2025 budget. Dr. Porsa outlined the request from Harris County Commissioner's Court for proposals concerning jail medical services. He shared background information on their initial request, budget forecasts, and the impacts of Harris Health providing medical services within the Harris County Jail. He reported that the \$100 million budget for Correctional Health services would create a \$70 million shortfall in Harris Health's budget, adversely impact our credit rating, and either delay or eliminate the expansion of strategic initiatives, resulting in a zero-operating margin. Dr. Porsa expressed his gratitude to the Correctional Health staff and leadership at Harris County Jail for their dedication and commitment over the past two years. Dr. Cody Pyke, Trustee, inquired about the difference between the amount Harris Health was paid and the amount they should have been received for providing Correctional Health services. Dr. Porsa reported that during the abbreviated fiscal year from February 2022 to September 2022, a \$5 million surplus was returned to the County. However, the subsequent period experienced a \$7 million budget shortfall, and the current fiscal year is facing a \$16 million shortfall, totaling approximately \$23 million. Discussion ensued regarding the \$23 million shortfall and the possibility of Harris Health assuming the financial responsibility for providing medical services in the jail.	As Presented.

IV. Executive Session	At 10:19 a.m., Dr. Caracostis stated that the Board would enter into Executive Session for Item IV. 'A' as permitted by law under Tex. Gov't Code Ann. §551.071.	
	A. Consultation with Attorney Regarding Jail Medical Services Provided by Harris Health at the Harris County Jail, Pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action Upon Return to Open Session	No Action Taken.
XI. Reconvene	At 10:58 a.m., Dr. Andrea Caracostis reconvened the meeting in open session; she noted that a quorum was present, and that no action was taken in Executive Session.	
XII. Adjournment	There being no further business to come before the Board, the meeting adjourned at 10:58 a.m.	

I certify that the foregoing are the Minutes of the Harris Health System Board of Trustees Meeting held on August 22, 2024.

Respectfully Submitted,



Andrea Caracostis, MD, MPH, Chair



Carol Paret, BS, Secretary

Minutes transcribed by Cherry A. Pierson, MBA