



**HARRIS COUNTY HOSPITAL DISTRICT
MINUTES OF THE BOARD OF MANAGERS MEETING**

Thursday, December 1, 2005

Board Room – Administration Building

BOARD MEMBERS PRESENT

Mr. J. Evans Attwell, Chair
Ms. Carolyn Truesdell, Secretary
Dr. Daniel D. Louie, Asst. Sec.
Mr. Elvin Franklin, Jr.
Mr. Danny Jackson
Mr. Jim Lemond
Mr. E. Dale Wortham

BOARD MEMBERS ABSENT

Mr. Stephen H. DonCarlos, Vice Chair
Ms. Mary Spinks

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. George Masi, Chief Operating Officer
Mr. Kelly Johnson, Harris County Purchasing
Attorney Mercedes Leal, County Attorney's Office
Ms. Alison Huff, Commissioner Jerry Eversole's Office
Ms. Gloria Moreno, Commissioner Sylvia Garcia's Office
Mr. Steve Brewer, Commissioner Steve Radack's Office
Administrative Staff
Media
Guests
(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

Mr. J. Evans Attwell, Chair, called the meeting to order at 9:02 A.M. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meeting

Motion 05.12-508

Moved by Mr. Wortham, seconded by Dr. Louie, and unanimously passed, that the Board approve the minutes of the October 19, 2005 called meeting and minutes of the November 3, 2005 regular meeting of the Board of Managers.

Mr. Jim Lemond was not present when this vote was taken.

At this time Mr. Attwell announced that the Board would take Agenda item VII. D. out of order.

III. Oath of Office for Newly Appointed Board Members

This item was pulled.

IV. Hear from Citizens

Mr. Walter Protheroe addressed the Board regarding his experience as a patient at Ben Taub General Hospital.

Ms. Sandra Douglas addressed the Board regarding the Business office layoffs.

Mr. Jim Lemond joined the meeting at this time.

V. Acknowledgment of the Members of the Medical Board

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board acknowledge the Medical Board and thank them for their service to the Hospital District.

Mr. Attwell called on Mr. Jackson to present agenda items related to purchasing.

VI. Purchasing

The Fiscal Affairs Committee met November 22, 2005 and brings forth the following items for approval and information:

A(1). Consideration of Recommendation regarding Approval of Purchases requiring Board Approval:

a. **Motion 05.12-516**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve additional funds from Bayer Healthcare LLC Diagnostic Division (PP-LA-117) in the amount of \$398,985 to add Hepatitis Testing Services for the term July 1, 2005 through June 30, 2006 subject to execution of the contract. (\$330,000 previously approved

funds for the term July 1, 2005 through June 30, 2006 for total funding amount of \$728,985.)

b. **Motion 05.12-517**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve termination of an award to Rhema, Inc. (**BM 05.7-312**) in the estimated amount of \$263,850 to provide medical equipment for patients at home who still require assistance after discharge for the term September 1, 2005 through August 31, 2006. The contract is being terminated effective October 29, 2005 because the vendor is no longer able to honor the terms and conditions of the contract.

c. **Motion 05.12-518**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve a decrease in funding to Mannington Commercial Inc. (PP-CE-276) (**BM 05.2-89**) in the amount of \$86,900. The decrease in funding is attributed to a change in scope of the original contract from “the first floor public areas and basement public areas, including the cafeteria” to “the first floor corridors” at Ben Taub.

d. **Motion 05.12-519**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve the fourth and final renewal option to Abbott Diagnostics in the estimated amount of \$198,000 to provide HIV EIA testing for the term January 1, 2006 through December 31, 2006.

e. **Motion 05.12-520**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve the third of four (4) renewal options to Iron Mountain Health Information Services in the estimated amount of \$1,523,408 for off-site storage of medical records and x-rays and the destruction of medical records and x-ray film for the term January 1, 2006 through December 31, 2006.

f. **Motion 05.12-521**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve the first of two (2) renewal options and deposits of funds into the claims payment account for Ward North America, LP in the estimated amounts of \$143,139 (administrative fee) and \$3,000,000 (claims payment account deposit) to provide claims management services for the Hospital District self-insured Workers' Compensation Program for the term January 1, 2006 through December 31, 2006.

g. **Motion 05.12-522**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve the second of four renewal options to Aetna, Inc. in the estimated amount of \$61,631,162 to provide group medical and related employee benefits for the term March 1, 2006 through February 28, 2007.

h. **Motion 05.12-523**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve an award on the basis of lowest priced to C.R. Bard Inc. – Bard Urological Division in the estimated amount of \$342,533 to provide general urological products for the term November 1, 2005 through October 31, 2006.

i. **Motion 05.12-524**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve awards on the basis of low bids to Best Care EMS Ltd. (primary vendor) and American Medical Response of Texas, Inc. (secondary vendor) in the total estimated amount of \$ 882,445 for the term December 1, 2005 through November 30, 2006 with three (3) one-year renewal options.

j. **Motion 05.12-525**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve an award on the basis of lowest priced to PaperPak Holdings Ltd. in the estimated amount of \$224,626 to provide incontinence

products for the term November 1, 2005 through October 31, 2006.

k. **Motion 05.12-526**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve an award on the basis of only bid received to Boston Scientific Corporation in the estimated amount of \$2,974,320 for drug eluting stents for the term December 1, 2005 through November 30, 2006 with three (3) one-year renewal options.

l. **Motion 05.12-527**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve an award on the basis of best overall contract to Cardinal Health Medical Products and Services in the estimated amount of \$167,886 for surgical and isolation masks for the term November 1, 2005 through October 31, 2006.

m. **Motion 05.12-528**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve an award on the basis of sole source to Mallinckrodt Medical, Inc. in the estimated amount of \$885,629 for radiopharmaceuticals for the term January 1, 2006 through December 31, 2006.

n. **Motion 05.12-529**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve utilization of Premier Partners Contract PP-HK-027 for an award to Standard Textile Co., Inc. through Cardinal Health 200 in the estimated amount of \$583,563 for textiles and textile services for the term January 1, 2006 through December 31, 2006.

o. Job 04/0419: Awards for Job Order Contracting for Small and Large Projects – *Centennial Contractors Enterprises, Inc.* (Primary Vendor) *Kellogg Brown & Root Services, Inc.*

This item was pulled and will be considered later as agenda item VII. F. 3.c.

p. **Motion 05.12-530**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve clarification of the amount for the award to Masimo Americas, Inc. through Cardinal Health (BM# 05.11-477). The amount of \$769,834 previously approved by the Board reflects the amount for the first year of the agreement, not the amount for the five-year term. The total for the five-year term upon execution of the agreement is \$3,849,169.

A(2). Transmittal of Completed Purchases Under \$100,000
(For Informational Purposes Only)

Agenda items A(2).a through A(2).l do not require Board approval.

a. Job 05/0314: Award for Anatomical Pathology Reference Testing Services

Transmittal of an award on the basis of low bid to Baylor College of Medicine in the estimated amount of \$37,240 to provide anatomical pathology reference testing services for the term December 1, 2005 through October 31, 2006 with two (2) one-year renewal options.

b. Job 03/0506: Renewal of Agreement for Suture Trays

Transmittal of the second and final renewal option awarded to Tri-State Hospital Supply Corporation in the amount of \$86,000 for suture trays for Ben Taub General Hospital for the term February 1, 2006 through January 31, 2007.

c. Job 03/0500: Renewal of Agreement for Template Charting Systems for Emergency Center Physicians and Nurses

Transmittal of the first of three (3) renewal options to The Poseidon Group, Inc. in the amount of \$35,004 for template charting systems for emergency center physicians and nurses for the term December 1, 2005 through November 30, 2006.

d. Job 04/0054: Renewal of Agreement for Actuarial and General Risk Management Services

Transmittal of the first of three (3) renewal options to Marsh USA Inc. in the estimated amount of \$73,000 for actuarial and general risk management services for the term January 1, 2006 through December 31, 2006.

e. Job 03/0395: Renewal of Agreement for X-Ray Jackets

Transmittal of the second of four (4) renewal options to InterStor Design Associates, Inc. in the estimated amount of \$35,000 to provide x-ray jackets for the Hospital District for the term December 1, 2005 through November 30, 2006.

f. Job 04/0253: Renewal of Agreement for Consultant/Consulting Firm to Assist in Maintaining and Obtaining Indirect Rate Agreements from the Federal Government

Transmittal of the first of two (2) renewal options to Federal Costing Concepts LLP in the estimated amount of \$29,000 for consultant/consulting firm to assist in maintaining and obtaining indirect rate agreements from the federal government for the term December 3, 2005 through December 2, 2006.

g. Job 02/0408; BM 03.1-58: Renewal of Agreement for Vacuum Truck Service

Transmittal of the third of four (4) renewal options to The Groce Company, Inc. in the estimated amount of \$17,440 for vacuum truck service for the term January 1, 2006 through December 31, 2006.

h. Job 04/0473: Renewal of Agreement for District-Wide Pharmacy Inventory Services

Transmittal of the first of two (2) renewal options awarded to Inventory Management Corporation (IMC) in the amount of \$34,000 for District-Wide Pharmacy Inventory Services for the term February 1, 2006 through January 31, 2007.

i. Job 05/0306: Awards for Pressure Garments

Transmittal of an award on the basis of low bid for each class to: (1) BSN – Jobst, Inc.: \$9,812 estimated (Class I & II); (2) Memco, Inc. Industrial & Safety Supplies: \$7,343 estimated (Class III); and (3) AMC Lifestyle Support: \$10,062 estimated (Class IV) for a total estimated amount of \$27,217 for pressure garments for the term November 1, 2005 through October 31, 2006 with two (2) one-year renewal options.

j. Job 05/0347: Awards for Pediatric Orthotic and Durable Medical Equipment

Transmittal of awards on the basis of low bids received by group to City Brace Co, Inc. - \$8,444 estimated (Group 1) and Therapy Supply House - \$48,763 estimated (Group 2) for total estimated amount of \$57,207 for the term November 1, 2005 through October 31, 2006.

- k. Job 00/0248: BM 04.9-407: Change in Scope of Contract for Whole Blood Analyzer Reagents for Hemoglobin A1C Tests

Transmittal for additional funds for Bio-Rad Laboratories, Inc. for whole blood analyzer reagents for hemoglobin A1C tests in the amount of \$25,480 for the term 10/01/04 – 9/30/05 to pay outstanding invoices attributed to an increase in test volumes. (\$104,100 previously approved bringing total amount approved to \$129,580).

- l. Transmittal of Purchases for Categories of Goods and/or Services

Transmittal of purchase from Hewlett-Packard Company in the amount of \$25,427 for annual support and maintenance for N4000 out patient pharmacy and Toshiba America Medical Systems, Inc. in the amount of \$44,610 for repair parts for cath lab.

The Information Technology Committee did not meet and brings directly to the Board the following:

- A(1). Consideration of Recommendations regarding Purchases requiring Board approval

- a. **Motion 05.12-531**

Moved by Dr. Louie, seconded by Mr. Jackson, and unanimously passed, that the Board approve the renewal of an award on the basis of sole source to IBM Corporation in the amount of \$209,186 for IBM non-operating system software license and maintenance associated with the IBM 2066-A02z800mainframe for the term March 1, 2006 through February 28, 2007.

- b. **Motion 05.12-532**

Moved by Dr. Louie, seconded by Mr. Jackson, and unanimously passed, that the Board approve funding for year four (4) of a five (5) year agreement for Oracle USA, Inc.

(F.K.A. PeopleSoft USA, Inc.) in the amount of \$346,060 for annual maintenance and support for PeopleSoft software associated with the ERPS Project for the term March 1, 2006 through February 28, 2007.

c. **Motion 05.12-533**

Moved by Dr. Louie, seconded by Mr. Jackson, and unanimously passed, that the Board approve funding for year three (3) of a five (5) year agreement for IBM Corporation in the amount of \$747,182 for IBM Enterprise hardware maintenance agreement for the term February 15, 2006 through February 14, 2007.

d. **Motion 05.12-534**

Moved by Dr. Louie, seconded by Mr. Jackson, and unanimously passed, that the Board approve the fourth of four (4) renewal options for Southwestern Bell Telephone, L.P. in the amount of \$500,000 for annual Smartnet maintenance and support of Cisco equipment for the term March 1, 2006 through February 28, 2007.

e. **Motion 05.12-535**

Moved by Dr. Louie, seconded by Mr. Jackson, and unanimously passed, that the Board approve the fourth and final renewal option for Arch Wireless in the amount of \$154,400 for leasing wireless pagers, messaging services and related items for the term January 1, 2006 through December 31, 2006.

f. **Motion 05.12-536**

Moved by Dr. Louie, seconded by Mr. Jackson, and unanimously passed, that the Board approve an award to First DataBank, Inc. in the amount of \$240,000 for software license fees and maintenance for Core Patient Care and Patient Administration Systems-a.k.a foundation project for the term December 1, 2005 through November 30, 2008.

g. Job No. 04/0366; Facsimile Maintenance Services – *Brothers Business Equipment, Century Business Equipment, Inc. Southwest Business Machine and T.M. Office Systems, Inc.*

This item was pulled.

VII. Reports of the Committees

Ms. Truesdell presented the agenda items related to Joint Conference Committee.

A. Joint Conference Committee

The Joint Conference Committee did not meet and brings directly to the Board the following:

1. Motion 05.12-537

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve, appointments, reappointments and changes of status for members of the HCHD Medical Staff for November 2005 as recommended by the Medical Board.

2. Motion 05.12-538

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board accept the Medical Board Report as included in the packet. (Appendix "A").

Dr. Jose Garcia invited to the Board to the Annual Medical Staff meeting scheduled for December 13, 2005 at the Edwin Hornberger Conference Center.

Mr. Attwell called on Mr. Danny Jackson to present the agenda items related to Fiscal Affairs.

B. Fiscal Affairs Committee

The Fiscal Affairs Committee met November 22, 2005 and brings forth the following items for approval:

1. Financial Statement

The financial report for October 31, 2005 was included in the packets and reviewed by Ms. Gwen Huskey. She highlighted the following:

- For the month of October, the District reported a net loss of \$133,000
- Change in the District's tax rate from \$0.19021 to \$0.19216 increased the estimated net taxes for the fiscal year \$3.8 million. A year to date adjustment for this tax

rate change of \$2.4 million was recognized as income in the month of October

- FTEs per equivalent bed are 4.8 vs. 5.0 last year and below target of 4.9

Much discussion ensued.

Motion 05.12-539

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board accept the October 31, 2005 Financial Report subject to final audit.

2. **Motion 05.12-540**

Moved by Ms. Truesdell, seconded by Dr. Louie, and unanimously passed, that the Board accept the Pension Plan Report for the period ended October 31, 2005 subject to final audit.

3. **Motion 05.12-541**

Moved by Ms. Truesdell, seconded by Dr. Louie, and unanimously passed, that the Board approve the Harris County Hospital District's projected Long-Term Capital Expenditure Plan.

4. Presentation of October 2005 Financial Statements of Community Health Choice, Inc.

Informational purposes only and no action required.

Mr. Attwell called on Mr. Elvin Franklin, Jr. to present agenda items related to Clinic Committee.

C. Clinic Committee

The Clinic Committee did not meet and brings directly to Board the following items:

1. **Items Related to Contractual Agreements**

a. **Motion 05.12-542**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Houston Regional HIV Resource Group for the purpose of providing primary care to HIV-infected adolescents under

Ryan White Title IV-A in the amount of \$131,355 for the term September 1, 2005 through August 31, 2006.

b. **Motion 05.12-543**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and the United States Department of Health and Human Services, Health Resources and Services Administration to provide early intervention services under Ryan White Title III in the additional amount of \$40,858 for a total funding of \$931,059 for the term January 1, 2005 through December 31, 2005.

c. **Motion 05.12-544**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Baylor College of Medicine, Department of Pediatrics to provide Physician Services to eligible HIV-infected adolescents under Ryan White Title IV-A in the amount of \$16,750 for the term September 1, 2005 through August 31, 2006.

d. **Motion 05.12-545**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and the University of Texas Health Science Center at Houston to provide physician services to eligible HIV-infected patients under Ryan White Title I in the amount of \$257,738 for the term March 1, 2005 through February 28, 2006.

e. **Motion 05.12-546**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Houston Regional HIV Resource Group to provide primary care to HIV-infected women, families and children under Ryan White Title IV in the amount of \$245,948 for the term August 1, 2005 through July 31, 2006.

f. **Motion 05.12-547**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Baylor College of Medicine to provide physician services to eligible HIV-infected individuals under Ryan White Title I in the additional amount of \$9,765 for a total funding of \$532,391 for the term March 1, 2005 through February 28, 2006.

g. **Motion 05.12-548**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and the American Diabetes Association to provide an eight-week course to address the problems of poor nutrition and inadequate exercise which can lead to diabetes among youth for the term August 1, 2005 through July 31, 2006 and acceptance of funding in the amount of \$24,000.

h. **Motion 05.12-549**

Moved by Mr. Lemond, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an Interlocal Agreement between the Harris County Hospital District and the Mental Health and Mental Retardation Authority of Harris County to provide mental health services at the school-based clinics for the term January 1, 2006 through August 31, 2006.

i. **Motion 05.12-550**

Moved by Mr. Lemond, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a Point of Entry Agreement between the Harris County Hospital District and Donald R. Watkins Memorial Foundation, Inc. for referral of newly diagnosed HIV+ patients to Harris County Hospital District for primary care services not provided by them for the term March 1, 2006 through February 28, 2007. Neither party will pay or receive compensation under this agreement.

j. **Motion 05.12-551**

Moved by Mr. Lemond, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a Point of

Entry Agreement between the Harris County Hospital District and Montrose Clinic for referral of newly diagnosed HIV+ patients to the Harris County Hospital District to receive primary care services not provided by Montrose Clinic for the term March 1, 2006 through February 28, 2007. Neither party will pay or receive compensation under this agreement.

2. **Items related to Reports**

Report regarding Ongoing Activities of the Council-at-Large

No report was presented.

Mr. Attwell called on Mr. Wortham who called on Ms. Lyllyan Bradshaw to present agenda items related to Personnel Committee. These agenda items were taken out of order.

D. Personnel Committee

The Personnel Committee did not meet and brings directly to the Board the following items:

1. **Motion 05.12-509**

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board approve an amendment to the Harris County Hospital District Pension Plan to comply with Department of Treasury regulations dealing with required minimum distributions to former employees who are older than 70^{1/2}. This amendment is to be executed by the President/CEO and is cost neutral to the Plan and does not create a duplication of benefits.

Mr. Jim Lemond was absent when this vote was taken.

Motion 05.12-510

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board approve an amendment to the Harris County Hospital District Pension Plan to provide all reemployed members automatic benefit service credit for their prior employment with the District. This amendment is to be executed by the President/CEO and is cost neutral to the Plan and does not create a duplication of benefits.

Mr. Jim Lemond was absent when this vote was taken.

2. **Motion 05.12-511**

Moved by Mr. Wortham, seconded by Dr. Louie, and unanimously passed, that the Board approve renewal of the Administrative Services Contract with Aetna, Inc. and approval of new contracts with National Pacific Dental, Inc., Spectra Inc., and The Hartford Insurance Company for Harris County Hospital District employees, retirees and their eligible dependents and new schedules effective March 1, 2006.

Mr. Jim Lemond was absent when this vote was taken.

Mr. Attwell questioned the District's increase in employee benefits and asked that necessary arrangements are made now to ensure that the District will not be precluded from investigating alternative options for medical coverage.

Mr. Franklin asked that, in addition to the current medical coverage plan, the District look at plans with higher deductibles and Health Savings Plans.

Mr. Attwell asked Administration to provide comparative information relative to the District and other public Texas hospitals.

Mr. Franklin requested a breakdown of the overall expense factor of claims vs. actual cost of the product.

3. **Motion 05.12-512**

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board approve the appointment of Gwen Huskey to the Harris County Hospital District Pension and Disability Committee.

Mr. Jim Lemond was not present when this vote was taken.

4. **Motion 05.12-513**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve to change the Flexible Spending Account plan year from calendar plan year to fiscal plan year.

Mr. Jim Lemond was not present when this vote was taken.

5. **Motion 05.12-514**

Moved by Mr. Wortham, seconded by Mr. Jackson, and unanimously passed, that the Board approve the revised Permanent Reduction in the Work Force due to Business Necessity Policy effective thirty-days following approval.

Mr. Jim Lemond was not present when this vote was taken.

Mr. Attwell announced, "We will now return to the normal order of the agenda beginning at agenda item III.

Mr. Attwell called on Ms. Carolyn Truesdell who called on Mr. King Hillier to present agenda items related to the Governmental & Public Affairs Committee.

E. Governmental & Public Affairs Committee

The Governmental & Public Affairs Committee did not meet and brings directly to the Board the following items:

1. Update, Discussion and Possible Action regarding Activities in Austin relating to Harris County Hospital District and its legislative platform
2. Update, Discussion and Possible Action regarding Upcoming Site Visits to Harris County Hospital District Facilities by the Harris County Congressional Delegation in September and Future Visits of the State Legislative Delegation this Fall and Next Winter

This item pulled.

3. Discussion and Possible Action regarding the Regional UPL Initiative in Harris and Surrounding Counties
4. Update, Discussion and Possible Action regarding pending Federal Legislative, Earmarks and Policy Issues affecting the Harris County Hospital District

Mr. King Hillier and Ms. Mary Schneider gave a status report on the federal appropriations process, the state trauma fund, and the regional UPL Medicaid supplemental payment program. Discussion regarding the regional UPL program and process was detailed. Also, much discussion ensued regarding the federal and state positions on Medicaid reform.

Mr. Dale Wortham exited the meeting at this time.

Mr. Lawrence Bell presented agenda items related to the Buildings & Properties Committee.

F. Buildings & Properties Committee

The Buildings & Properties Committee did not meet and brings directly to Board the following items:

1. Items related to Lease Agreements

- a. Consideration of Approval of a Lease Agreement with WGH Holly Hall, LP for 25,688 square feet at 2525 Holly Hall

This item was pulled.

- b. **Motion 05.12-552**

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Board approve of the Hospital District entering into a lease agreement with the City of Houston for space in Riverside Health Clinic for operation of the District's Outpatient Dialysis Center for the lease amount of \$1.00 annually, plus \$10,000 per year as an apportioned share of the maintenance, security, repair and operation of the common area. The initial lease term is ten-years with two options to renew for five years each.

Mr. Dale Wortham was not present for this vote.

- c. **Motion 05.12-553**

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board authorize the Hospital District to renew the lease with Petereit Investments, Inc. for approximately 4,736 square feet of space for the E. A. Squatty Lyons Health Center for a monthly lease rate of \$4,972.80 for the term November 1, 2005 through October 31, 2006.

Mr. Dale Wortham was not present for this vote.

2. Items related to Awards

- a. **Motion 05.12-554**

Moved by Ms. Truesdell, seconded by Dr. Louie, and unanimously passed, that the Board award the Lyndon B. Johnson General Hospital Digital X-Ray Rooms Project for construction services to 3DI International, based on their best bid of \$199,777. Additionally, it is recommended that an owner's contingency allowance of \$24,000, be established for unforeseen conditions, additional work, scope of work

changes and City of Houston code compliance issues that may come up during the course of the project.

Mr. Wortham was not present at for this vote.

b. **Motion 05.12-555**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board award the Ben Taub General Hospital Digital X-Ray Rooms Project for construction services to K-Austin & Associates, based on their best bid of \$299,812. Additionally, it is recommended that an owner's contingency allowance of \$36,000 be established for unforeseen conditions, additional work, scope of work changes and City of Houston code compliance issues that may come up during the course of the project.

Mr. Dale Wortham was not present for this vote.

3. **Miscellaneous Items**

a. **Motion 05.12-556**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the Mitigation Action Plans for Lyndon B. Johnson and Ben Taub General Hospitals. (These plans contain no commitment of funds.)

Mr. Jim Lemond requested that the CEO provide to the Board, a summary of the Mitigation Planning Team's annual report once that report is received.

Mr. Dale Wortham was not present for this vote.

b. **Motion 05.12-557**

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Board approve of the Hospital District resolving the tax liens associated with the purchase of the Northwest Health Center Property, 1100 West 34th Street, Houston, TX 77018 by issuing payments to the City of Houston, Harris County and the Houston Independent School District. It is estimated that the total tax liability that will be owed in December should not exceed \$5,500.

Mr. Dale Wortham was not present for this vote.

c. **Motion 05.12-558**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve utilization of Harris County's Job Order Contracting for Small and Large Projects Contract with Centennial Contractors Enterprises, Inc. (Primary vendor) and Kellogg Brown & Root Services, Inc. (Secondary vendor) for total amount of \$2,000,000 to be administered by the Facilities Planning and Development Department effective December 2, 2005 through March 31, 2006.

Mr. Dale Wortham was not present for this vote.

Mr. Attwell presented the Miscellaneous Agenda Items.

VIII. Miscellaneous Agenda Items

A. Motion 05.12-559

Moved by Mr. Lemond, seconded by Dr. Louie, and unanimously passed, that the Board approve the following nominating committee for Board officer election:

- Mr. Elvin Franklin, Jr. – Chairman
- Mr. Stephen DonCarlos
- Ms. Carolyn Truesdell

Mr. Dale Wortham was not present for this vote.

- B. Consideration of Agreement between the Harris County Hospital District and the Harris County Hospital District Foundation relating to the Foundation's Acquisition of Shares in Premier, Inc., and an interest in Premier Purchasing Partners, L.P. to allow the District to Obtain Greater Purchasing Benefits and Savings through the Premier Group Purchasing Organization Program.

Much discussion ensued.

Motion 05.12-560

Moved by Mr. Lemond, seconded by Mr. Franklin, that the Board defer an Agreement between the Harris County Hospital District and the Harris County Hospital District Foundation relating to the Foundation's Acquisition of Shares in Premier, Inc. and an interest in Premier Purchasing Partners, L.P. to allow the District to obtain greater purchasing benefits and savings through the Premier Group Purchasing Organization Program to define the allocation of the

cash distributions until issues addressed by Mr. Franklin, here today, have been addressed by the lawyers who proposed this agreement.

Motion failed with the following vote:

Mr. Attwell, Ms. Truesdell, Mr. Jackson and Dr. Louie – Nay
Mr. Franklin and Mr. Lemond – Yea

Then Ms. Truesdell made the following motion:

Moved by Ms. Truesdell, seconded by Mr. Jackson, and passed, that the Board approve an agreement between the Harris County Hospital District and the Harris County Hospital District Foundation relating to the Foundation's acquisition of shares in Premier, Inc. and an interest in Premier Purchasing Partners, L.P. to allow the District to obtain greater purchasing benefits and savings through the Premier Group Purchasing Organization Program to define the allocation of the cash distributions.

(This motion carried with the understanding that the Foundation may come back in the future and request that some changes be made to the agreement.)

C. **Motion 05.12-561**

Moved by Ms. Truesdell, seconded by Dr. Louie, and unanimously passed, that the Board approve an amendment to an agreement between the Harris County Hospital District and the Department of State Health Services for Substance Abuse Programs, Screening, Brief Intervention, Referral and Treatment Program for substance abuse. This agreement reallocates funds from supplies to equipment.

Mr. Dale Wortham was not present for this vote.

D. **Motion 05.12-562**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and the Department of State Health Services for Children with Special Health Care Needs Program (CSHCN) f/k/a Chronically Ill and Disabled Children's Program (CIDC) for case management services.

Mr. Dale Wortham was not present for this vote.

E. **Motion 05.12-563**

Moved by Ms. Truesdell, seconded by Dr. Louie, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and Soper Brothers & Assoc. for manufacturing and fitting of custom ocular prosthesis, scleral shells and related services in the amount of \$40,000 for the term one year upon execution of the agreement.

Mr. Dale Wortham was not present for this vote.

F. **Motion 05.12-564**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve ratifying agreement between the Harris County Hospital District and the University of Texas Health Science Center at Houston, Department of Substance Abuse Research Center for Data Management and Consulting Services to Harris County Hospital District Project Director, Medical Director, and Administrative Director for Clinical Case Management, and Implementation Team for the InSight/SBIRT Program in the amount of \$162,072 for the term September 1, 2005 through August 31, 2006.

Mr. Dale Wortham was not present for this vote.

G. **Motion 05.12-565**

Moved by Ms. Truesdell, seconded by Mr. Lemond, and unanimously passed, that the Board approve ratifying an agreement between the Harris County Hospital District and Baylor College of Medicine for Medical Director for the InSight/Screening, Brief Intervention, Referral and Treatment (SBIRT) Program Grant in the amount of \$80,643 for October 1, 2004 through September 30, 2005.

Mr. Dale Wortham was not present for this vote.

H. **Motion 05.12-566**

Moved by Ms. Truesdell, seconded by Mr. Lemond, and unanimously passed, that the Board approve ratifying an agreement between the Harris County Hospital District and Baylor College of Medicine for Assistant Medical Director for the InSight/Screening, Brief Intervention, Referral and Treatment (SBIRT) Program in the amount of \$16,568 for the term April 1, 2005 through September 30, 2005.

Mr. Dale Wortham was not present for this vote.

- I. Consideration of Approval of an Agreement with Phase 2 Consulting for the Eligibility and Revenue Cycle Process Implementation

This item was deferred until a later date.

- J. Report on RX for Fun Program: The Houston Zoo, the Museum of Health and Medical Science and the Houston Museum of National Science and Acceptance of Tangible Gifts in the total of \$2,000,000

This item was pulled.

- K. **Motion 05.12-567**

Moved by Mr. Lemond, seconded by Mr. Jackson, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and the Southeast Texas Trauma Regional Advisory Council for receipt of federal HRSA funds for the term December 1, 2005 through November 30, 2006.

Mr. Dale Wortham was not present for this vote.

IX. Items Related to Miscellaneous Reports

- A. Strategic Project Status on Epic, PeopleSoft H.R. & Payroll, Picture Archival and Communication System (PACs), and Patient Management and Accounting

No action required. Included in packet for information only.

- B. Report on Items relating to Hurricanes Katrina and Rita

Ms. Nancy Brock presented a report on Hurricane Katrina and Rita. She informed the Board that the Katrina volumes are 100 per day instead of per week as stated in the report and have since gone down to 60 per day.

No action required. Included in packet for information only.

- C. Report on Harris County Hospital District Art Donation from Foundation for Hospital Art

This item was pulled.

Mr. Attwell called on Dr. Kenneth Mattox to address the Board prior to going into executive session.

X. Executive Session

At 10:30 A.M., Mr. Attwell stated that the Board would go into Executive Session under Section 161.032 of the Texas Health & Safety Code and 551 of the Texas Government Code, Section 071 and 072. He stated that the regular meeting of the Board would reconvene at the close of Executive Session.

XI. Reconvene

At 1:06 P.M., Mr. Attwell reconvened the meeting and asked if there were further input to the Agenda.

- A. Report by Corporate Compliance Officer regarding Compliance with Medicare, Medicaid, HIPAA, and other Federal and State Health Care Program Requirements and a Status of Fraud and Abuse Investigations pursuant to Section 161.032 of the Texas Health & Safety Code

Presented as information only requiring no action.

- B. Discussion and Consideration of Acquisition of Real Property for the Alief Community Health Center and the Casa de Amigos parking lot, pursuant to Tex. Gov't Code Ann. § 551.072 and possible Action regarding the Matters upon return to Open Session

Motion 05.12-568

Moved by Ms. Truesdell, seconded by Mr. Lemond, and unanimously passed, that the Board approve acquiring the Alief Community Health Center Property from the City of Houston for the sum of \$665,000 in accordance with the terms and conditions set forth in the contract.

Mr. Dale Wortham was not present for this vote.

Motion 05.12-569

Moved by Mr. Lemond, seconded by Mr. Franklin, and unanimously passed, that the Board approve of the Hospital District entering into a lease agreement with the current owner of the Casa de Amigos parking lot for the sum of \$3,250 for the months of September 1, 2005 through December 31, 2005 and up to \$10,000 per month effective January 1, 2006. In addition, approve that the Harris County Right-Away Department be authorized to discuss potential purchase of this property.

Mr. Dale Wortham was not present for this vote.

- C. Consultation with the County Attorney regarding an Agreement between the Harris County Hospital District and Gjerset & Lorenz for the Development and Implementation of the Harris County Upper Payment Limit Program, pursuant to Tex. Gov't Code Ann. § 551.071 and Possible Action regarding the Matter upon return to Open Session

Motion 05.12-570

Moved by Dr. Louie, seconded by Mr. Jackson, and unanimously passed, that the Board approve obtaining the consulting services of Gjerset & Lorenz, L.L.P. and Michael O. Spivey related to the development and implementation of the Harris County Upper Payment Limit Program in an amount not to exceed \$270,000 for the term as stated in the agreement.

Mr. Dale Wortham was not present for this vote.

- D. Consideration of a Proposed Resolution Authorizing \$121,000 to be paid to the Landowner in the Eminent Domain Proceeding filed under Docket No. 819,792; County Civil Court At Law Number 1; *Harris County Hospital District v. Unknown Heirs of Henry West, et al.*, pursuant to Tex. Gov't Code Ann. § 551.071 and possible Action regarding this Matter Upon Return to Open Session

Motion 05.12-571

Moved by Mr. Lemond, seconded by Mr. Franklin, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, approved and hereby authorized \$121,000 to be paid to the landowner in the Eminent Domain proceeding filed under Docket No. 819792; County Civil Court At Law Number 1; *Harris County Hospital District v. Unknown Heirs of Henry West, et al.*: The landowner shall be permitted to withdraw the \$115,000 previously deposited with the Court, and Harris County Hospital District shall pay the additional sum of \$6,000 to: Thomas Sheffield, Barron, Adler & Anderson, L.L.P., 1001 McKinney, Suite 400, Houston, Texas 77002.

Mr. Dale Wortham was not present for this vote.

- E. Consultation with the County Attorney regarding the Status of Litigation involving LBJ Property Acquisition, pursuant to Tex. Gov't Code Ann. § 551.071 and possible Action regarding this Matter Upon Return to Open Session

No action taken on the agenda item.

- F. Consideration of a proposed Settlement of the Claim of Juan Ramos, Arbitration #70 160 00354 05, pursuant to Tex. Gov't Code Ann. § 551.071 and possible Action regarding this Matter Upon Return to Open Session

Motion 05.12-572

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, approved and hereby authorized settlement in the amount of \$18,000 in damages to be paid to “Juan Ramos and his attorney, Ernest Powell, III” in full and final settlement of Arbitration #70 160 00354 05, and that David S. Lopez, President and CEO, be authorized to execute any settlement agreement on behalf of the Harris County Hospital District.

Mr. Dale Wortham was not present for this vote.

- G. Consideration of a payment of Property Damage Claim of Lorri Feiwell, pursuant to Tex. Gov't Code Ann. § 551.071 and possible Action regarding this Matter Upon Return to Open Session

Motion 05.12-573

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, approved and hereby authorized the payment of \$202 for property damage of an automobile accident claim filed by Lorri Feiwell.

Mr. Dale Wortham was not present for this vote.

- H. Consultation with the County Attorney regarding a Hospital Lien filed in the Harris County Clerk's Office, Film Code Number 941-13-2094, pursuant to Tex. Gov't Code Ann. § 551.071 and possible Action regarding this Matter Upon Return to Open Session

This item was withdrawn.

- I. Consultation with the County Attorney regarding Case No. 2005-20246; *Linda Smith v. Harris County Hospital District* – 125th Judicial District Court, pursuant to Tex. Gov't Code Ann. § 551.071 and possible Action regarding this Matter Upon Return to Open Session

Motion 05.12-574

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board of Managers approve that, the Harris County Hospital District, by and through its Board of Managers, approved and authorized the settlement of Linda Smith v. Harris County Hospital District (Cause No. 2005-20246) by accepting her voluntary resignation and retirement from employment effective November 29, 2004, payment of early retirement benefits, and the payment of \$35,000 as compensation for mental anguish, and court costs not to exceed \$500, and that David S. Lopez, President and CEO, be authorized to execute settlement documents on behalf of the Harris County Hospital District, relating to this matter.

Mr. Dale Wortham was not present for this vote.

- J. Consultation with the County Attorney regarding an Agreement for Hospitals that purchased or believe they purchased Lipitor through the 340B Program during 1999, pursuant to Tex. Gov't Code Ann. § 551.071 and possible Action regarding this Matter Upon Return to Open Session

Motion 05.12-575

Moved by Ms. Truesdell, seconded by Mr. Lemond, and unanimously passed, that the Board of Managers approve, that the Harris County Hospital District, by and through its Board of Managers, approved and hereby authorized approval of entering into a Confidentiality Agreement for Hospitals that purchased or believe they purchased Lipitor through the 340B Program during 1999 with the Public Hospital Pharmacy Coalition, and that David S. Lopez, President and CEO, be authorized to execute the Agreement on behalf of the Harris County Hospital District.

Mr. Dale Wortham was not present for this vote.

- K. Consideration of a Release and Settlement of a Claim with Technical Consulting Services International ("TCSI"), pursuant to Tex. Gov't Code Ann. § 551.071 and possible Action regarding this Matter Upon Return to Open Session

Motion 05.12-576

Moved by Mr. Jackson, seconded by Mr. Lemond, and unanimously passed, that the Board of Managers approve, that the Harris County Hospital District, by and through its board of managers, approved

and hereby authorized the release and settlement of a claim with Technical Consulting Services International (“TCSI”). The District agrees to return to TCSI certain parking equipment purchased under RFP Job No. 03.0282 (July 14, 2003) and in consideration of such, TCSI agrees to pay the District the amount of \$74,980, and that David S. Lopez, President and CEO, be authorized to execute settlement documents on behalf of the Harris County Hospital District, relating to this matter.

Mr. Dale Wortham was not present for this vote.

- L. Discussion of Acquisition of Real Property in Connection with the Hospital District’s 2015 Strategic Plan, pursuant to Tex. Gov’t Code Ann. § 551.072, and Possible Action regarding the Matter upon return to Open Session

No action was taken.

XII. Adjournment

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 1:11 P.M.

I certify that the foregoing are the Minutes of the Meeting of the Board of Managers of the Harris County Hospital District held at the Administration Building in Houston, Texas on December 1, 2005.

J. Evans Attwell, Chairman
Board of Managers
Harris County Hospital District
Houston, Texas

Carolyn Truesdell, Secretary

Recorded by Anne McCowan