



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

Thursday, June 30, 2005

Board Room – Administration Building

BOARD MEMBERS PRESENT

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

BOARD MEMBERS ABSENT

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. George Masi, Chief Operating Officer
Mr. Kelly Johnson, Harris County Purchasing Agent
Mr. Wird Brown, Harris County Purchasing Agent
Attorney Rose Garcia, County Attorney's Office
Mr. Mark Fury, Commissioner Steve Radack's Office
Ms. Suzanne McPherson, Commissioner El Franco Lee's Office
Ms. Alison Huff, Commissioner Jerry Eversole's Office
Ms. Gloria Moreno, Commissioner Sylvia Garcia'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 9:01 A.M. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meetings

Motion 05.6-257

Moved by Dr. Louie, seconded by Mr. Jackson and unanimously passed, that the Board approve the minutes of the May 26, 2005 regular meeting of the Board of Managers as presented.

Mr. Attwell called on Mr. DonCarlos, who called on Dr. Mary Holt Ashley to present the agenda item relating to Special Recognition.

III. Special Recognition

A Report of a Special Effort to Retain Exemplary Staff, the *Distinguished Clinician Program*

Dr. Ashley commented that in order to recognize and reward exceptional clinical nurses, HCHD created the Distinguished Clinician Award Program in 2001. Continuing, she stated the award has been given to one acute care clinical nurse at both Lyndon B. Johnson and Ben Taub General Hospitals and this year a clinical nurse from the Community Health Centers has been added.

The following individuals were recognized as the *Distinguished Nurse Clinician* and each will receive an award stipend of \$2,500 contributed by the Harris County Hospital District Foundation: Alesia Cain, RN, BSN – Community Health Center, Rebecca Directo, RN – Lyndon B. Johnson General Hospital and Sheela Perinjelil, RN – Ben Taub General Hospital.

Dr. Ashley called attention to the displayed Florence Nightengale picture, stating that Board Chair, Mr. J. Evans Attwell, donated it. She explained that the plaque board beneath it displays the names of the *Distinguished Nurse Clinicians*. Dr. Ashley thanked Mr. Attwell for his generous donation.

IV. Hear from Citizens

Mr. Luther L. Vanderburg, Jr. addressed the Board relating to the impact of the proposed Metro rail overpass on Casa de Amigos Clinic.

Mr. Daniel Bustamante addressed the Board relating to a new replacement clinic for Casa de Amigos and that the Casa Advisory Council be included in any future planning for that facility.

Ms. Lourdes Badillo, Ms. Angelica Lira, Mr. Remigilio Arriola, Father Albert Zanatta and Rev. David Meeker-Williams addressed the Board relating to their experiences using the Hospital District and/or the need for a new clinic on the North Side.

Mr. Attwell announced that Agenda Item VI. D. Clinic Committee will be taken out of order.

Any Board member may request that an item marked "CONSENT" be pulled from this consideration for individual action or presentation.

V. Purchasing

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

1. Fiscal Affairs Committee Items related to purchasing requiring Board approval

A. (1). Purchasing Recommendations requiring Board Approval

a. **Motion 05.6-258**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve ratification of purchases made on an emergency basis from F.F.F. Enterprises, Inc. in the amount of \$139,892 (BT) for Immune Globulin IV product for the Harris County Hospital District Pharmacy Department

b. **Motion 05.6-259**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve utilization of the Hill-Rom Company, Inc. (PP-CE-006) contract for Hill-Rom Company, Inc. in the estimated amount of \$1,146,200 for the term January 1, 2005 through December 31, 2005 for specialty beds and accessories.

Before the motion and vote, Mr. Jackson informed the Board that the amount should be \$1,146,200 rather than \$859,650 and the term January 1, 2005 through December 31, 2005 rather than April 1, 2005.

c. Premier Contract PP-CE-004 for Mechanical Ventilators

This item was pulled.

d. **Motion 05.6-260**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve utilization of the Cardinal Health Medical Products and Services (PP-OR-147) contract, on the basis of only complete bid, for Cardinal Health Medical Products and Services

through Cardinal Healthcare in the estimated amount of \$117,551 for the term April 1, 2005 through March 31, 2006 for surgical instruments.

e. **Motion 05.6-261**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve funds for Healthlink, Inc. in the amount of \$200,000 for the term March 1, 2005 through July 31, 2005 to provide continuation of healthcare specific information technology consulting services for the Master Patient Index Cleanup project in support of the Epic Systems implementation.

f. **Motion 05.6-262**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve additional funding for Gulf Coast Regional Blood Center in the estimated amount of \$512,248 for the term March 1, 2004 through February 28, 2005 to cover invoices due to increased demand for blood products. (Previous approved funds for 3/1/04 through 2/28/05 - \$2,660,011 for a total amount of \$3,172,259.)

g. **Motion 05.6-263**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the third of four (4) renewal options to Synthes Maxillofacial - \$805,000 and Walter Lorenze Surgical - \$405,000 for a total amount of \$1,210,000 for the term July 1, 2005 through June 30, 2006 for craniomaxillofacial implants and related products.

h. **Motion 05.6-264**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the fourth and final renewal option for Roche Diagnostics Company in the estimated amount of \$100,000 for the term August 1, 2005 through July 31, 2006 for PCR Genotyping System Analyzer and Reagents.

i. **Motion 05.6-265**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the first of four (4) renewal options for Roche Diagnostics Company in the estimated amount of \$494,208 for the term August 1, 2005 through July 31, 2006 for PCR Genotyping System Analyzer and Reagents for HIV Viral Load Testing.

j. **Motion 05.6-266**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the second and final renewal option for American Medical Equipment Co. in the estimated amount of \$500,000 for the term August 1, 2005 through July 31, 2006 to provide Hospital District patients with oxygen therapy services for at home after discharge.

k. **Motion 05.6-267**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the fourth of five (5) renewal options for Cardinal Health 301, Inc. in the estimated amount of \$806,424 for the term September 1, 2005 through August 31, 2006 to provide for continued lease and maintenance of the automated medication dispensing equipment.

l. **Motion 05.6-268**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the third year of a five (5) year term for Sysmex America, Inc. in the estimated amount of \$264,175 for the term July 1, 2005 through June 30, 2006 to supply hematology analyzers, reagents, supplies and service for the Pathology Labs at Ben Taub, LBJ, and the Respiratory Lab at Ben Taub.

m. **Motion 05.6-269**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the second year of a five (5) year term for Bayer HealthCare LLC Diagnostics Division in the estimated amount of \$330,000 for the term July 1, 2005 through June 30,

2006 to provide immunochemistry analysis and testing for the Hospital District.

n. **Motion 05.6-270**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the second year of a five (5) year term for Dade Behring, Inc. in the estimated amount of \$924,000 for the term July 1, 2005 through June 30, 2006 to provide chemistry analysis on the basis of cost per billable test for the Hospital District.

A.(2). Harris County Purchasing Transmittals of Completed Items under \$100,000 for Information Purposes Only (These items do not need Committee recommendation nor Board approval.)

a. Job 01/0102: Software Subscription/License for the Benchmarking Project

Transmittal of the second and final renewal options for Premier, Inc. in the amount of \$38,000 for the term August 1, 2005 through July 31, 2006 for software subscription/license for the benchmarking project.

b. Job 02/ 0298: Still Photography and Video Production Services

Transmittal of the third of four (4) renewal options for James LaCombe Productions in the estimated amount of \$50,490 for the term September 1, 2005 through August 31, 2006 to provide photography and video production services.

c. Job 02/0277: Preventive Maintenance, Inspection and Repair of Emergency Generators

Transmittal of the third (3) renewal options for Stewart & Stevenson in the amount of \$56,147 for the term September 1, 2005 through August 31, 2006 to provide services for preventive maintenance, inspection and repair of emergency generators.

d. Job 04/0334; Uniforms and Related Items

Transmittal of the first (1) of four (4) renewal options for Discount Uniform International, Inc. in the amount of \$78,865 for the term October 1, 2005 through

September 30, 2006 to furnish and deliver uniforms and related items.

e. Job 05/0141: Supplemental for Temporary Therapist Personnel

Transmittal of award, on the basis of only bid received, for Stillwater, HCS, LLC dba @ WORK Medical Services in the estimated amount of \$25,000 for the term May 1, 2005 through February 28, 2006 to provide licensed speech language pathology and bilingual licensed speech language pathology, on an as needed basis.

f. OraQuick Advance and OraQuick HIV Antibody Tests

Transmittal of purchase, on the basis of sole source, for OraSure Technologies, Inc. through Abbott Laboratories, Inc. in the estimated amount of \$75,000 for the term May 1, 2005 through April 30, 2006 to provide OraQuick Advance and OraQuick HIV oral testing kits for patients who need immediate diagnosis.

g. Job 05/0121: Fully Automated Microplate Analyzer and Reagents

Transmittal of award, on the basis of low bid, for Diamedix Corporation in the estimated amount of \$75,428 for the term June 1, 2005 through May 31, 2006 for fully automated microplate analyzer and reagents.

h. Job 05/0159: Refuge Removal Services for the Hospital District

Transmittal of award, on the basis of low bid, for Waste Management in the estimated amount of \$96,124 for the term July 1, 2005 through June 30, 2006 with four (4) one-year renewal options for refuse removal services to include container rental

i. Job 05/0160: Sale of Surplus and Disposal of Salvage Computer Equipment and Related Items

Transmittal of a sales award (revenue generating), on the basis of highest bid, for Compucycle, Inc. in the estimated amount of \$28,205 for the term July 1, 2005 through June 30, 2006 with four (4) one-year renewal options to sell surplus computer equipment and

disposal of salvage computer equipment and related items.

- j. Transmittal of purchases for Categories of Goods and/or Services, per attached letter (Appendix "A")

Transmittal of purchases in the amount of \$218,912 for the following categories of goods and/or services associated with the Information Technology Department:

1. Sole Source;
 2. Group Purchasing Organization Premier Partners contract;
 3. Standardized by the Harris County Hospital District Standardization Committee;
 4. Catalog Information Systems Vendors (CISV) program designated by the Texas Building and Procurement Commission;
 5. Various other state contract (e.g. TXMAS, DIR, etc.);
 6. Personal Services;
 7. Professional Services.
2. The Information Technology Committee did not meet and the following items are coming directly to the Board for approval:
- A(1). Purchasing recommendations requiring Board approval:
- a. **Motion 05.6-271**
Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve sole source contract with Misys Healthcare Systems in the amount of \$102,000 for consulting services and Misys Laboratory Software upgrade.
 - b. **Motion 05.6-272**
Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve a contract with DIR through SBC Communications, Inc. in the amount of \$104,169 for the term August 1, 2005 through July 31, 2006 for Fiber-Optic Point-to-Point Services for the PACS (Picture Archiving Communications System) Project.
 - c. **Motion 05.6-273**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve purchase of Infrastructure Upgrades associated with the PACS (Picture Archiving Communications System) Project from DIR through SBC Communications, Inc. in the amount of \$249,912 for infrastructure upgrades and additional capacity to support the movement of and timely access to large size digital image files across the HCHD network.

- A(2). Purchasing Transmittals of Completed Items under \$100,000 for Information Purposes Only. (These items do not need Committee recommendation nor Board approval.)

Transmittal of the second of four (4) renewal options for Zytron, Inc. in the estimated amount of \$45,000 for the term August 1, 2005 through July 31, 2006 to provide computer output microfiche services.

3. Discussion and Possible Action regarding Proposals submitted for Review and Analysis of the Cost for Voice and Data Communication Circuits and Accounts for the Harris County Hospital District (Job No. 04/0417)

The Board considered presentations by Southwestern Tariff Analyst and Carolyn Arnold – Communications Consultant, Inc. (CACC). Following much discussion the following motion was made:

Moved by Dr. Louie, seconded by Ms. Truesdell that the Board approve an award on the basis of best proposal meeting requirements, to Carolyn Arnold – Communications Consultant, Inc. (CACC) to provide an analysis of the cost for voice and data communication circuits and accounts for the Harris County Hospital District.

Following comments by several Board members, Dr. Louie withdrew his motion and it was replaced with the following:

Motion 05.6-274

Moved by Mr. Franklin seconded by Dr. Louie, and passed that this agenda item be sent back to District Administration for a recommendation and brought back to the Board at a later date. The motion carried five to four with Ms. Carolyn Truesdell, Mr.

Stephen DonCarlos, Mr. Jim Lemond and Mr. E. Dale Wortham voting nay.

VI. Reports of the Committees

Mr. Attwell called on Mr. DonCarlos to present the agenda items related to Joint Conference Committee.

A. Joint Conference Committee

The Joint Conference Committee did not meet and the following items are coming directly to the Board for approval:

1. Motion 05.6-275

Moved by Mr. DonCarlos, seconded by Mr. Wortham, and unanimously passed, that the Board approve the Appointments, Reappointments and Changes of Status for members of the HCHD Medical Staff for June 2005 as recommended by the Medical Board.

2. Motion 05.6-276

Moved by Mr. DonCarlos, seconded by Mr. Wortham, and unanimously passed, that the Board accept the Medical Board Report as presented by Dr. Wayne Riley. (Appendix "B").

Mr. Attwell requested that before the elimination of any services, Administration bring the proposed eliminations along with impact studies to the Board.

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

B. Fiscal Affairs Committee

The Fiscal Affairs Committee did not meet and the following items are coming directly to the Board for information and/or approval:

1. Presentation of May 2005 Financial Statements of Community Health Choice, Inc.

No action was taken on this item as it was presented for information only.

2. Motion 05.6-278

Moved by Mr. Lemond, seconded by Ms. Spinks, and unanimously passed, that the Board approve capital repayment of \$2.5 million by Community Health Choice, Inc. (CHC) to its parent, Harris County Hospital District (HCHD).

This agenda item was taken out of order.

3. **Motion 05.6-277**

Moved by Mr. Lemond, seconded by Mr. Franklin, and unanimously passed, that the Board approve Community Health Choice, Inc.'s Audited Financial Statements for Fiscal-Year 2004 as presented.

This agenda item was taken out of order.

4. **Motion 05.6-279**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the appointment of Jose Garcia, Jr., M.D. to the Board of Directors of Community Health Choice, Inc.

5. **Motion 05.6-280**

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board approve Community Health Choice, Inc.'s 2004 Annual Report of Operations as presented.

6. **Motion 05.6-282**

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board accept the April 30, 2005 Financial Report subject to final audit.

This item was taken out of order.

7. **Motion 05.6-283**

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

8. **Motion 05.6-284**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board accept the Pension Plan Report for the period ended April 30, 2005 subject to final audit.

9. **Motion 05.6-285**

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

10. **Motion 05.6-281**

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board accept the First Quarter Financial Report ending May 31, 2005.

This agenda item was taken out of order.

11. **Motion 05.6-286**

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Board accept the First Quarter Investment Report for the period ended May 31, 2005.

12. **Motion 05.6-287**

Moved by Mr. DonCarlos, seconded by Dr. Louie, and unanimously passed, that the Board accept the Ernst & Young audit of the Combined Financial Statements for the fiscal year ending February 28, 2005. (Note presentation by Ms. Carole Faig with Ernst & Young.)

13. **Motion 05.6-288**

Moved by Mr. DonCarlos, seconded by Dr. Louie, and unanimously passed, that the Board accept the Ernst & Young audits of the District's Pension and 401(k) Plans for the calendar year ending December 31, 2004. (Note presentation by Ms. Carole Faig with Ernst & Young.)

14. **Motion 05.6-289**

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Board accept the Ernst & Young audit of the Federal and State Grant Programs for the fiscal year ending February 28, 2005. (Note presentation by Ms. Carole Faig with Ernst & Young.)

15. **Motion 05.6-290**

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Board approve signatures of the following individuals for the Harris County Hospital District Bank accounts and certain Community Health Choice, Inc. Bank accounts with Bank of America and Bank One:

Harris County Hospital District

David S. Lopez - President & Chief Executive Office
George V. Masi – Executive Vice Pres. & Chief Operating Officer
Margo Hilliard, M.D. – Administrator – LBJ

Alicia Reyes – Administrator – Community Health Programs

Community Health Choice, Inc.

David S. Lopez, George Masi, Glen Johnson, M.D. and
Paul Tannos.

16. **Motion 05.6-291**

Moved by Ms. Spinks, seconded by Ms. Truesdell, and
unanimously passed, that the Board approve the FY2006
(3/1/05 – 2/28/06) Capital Budget for the Harris County
Hospital District.

17. **Motion 05.6-292**

Moved by Dr. Louie, seconded by Mr. Franklin, and
unanimously passed, that the Board approve an agreement
between the Harris County Hospital District and The
Department of State Health Services for the Screening Brief
Intervention, Referral and Treatment (SBIRT) Program and
acceptance of funding in the amount of \$2,605,367.

18. **Motion 05.6-293**

Moved by Dr. Louie, seconded by Mr. Franklin, and
unanimously passed, that the Board approve an agreement
between the Harris County Hospital District and the Harris
County Hospital District Foundation Children's Health Fund
for the Child Life Fellowship Program and acceptance of
funding in the amount of \$18,000.

19. **Motion 05.6-294**

Moved by Dr. Louie, seconded by Mr. Franklin, and
unanimously passed, that the Board approve an agreement
between the Harris County Hospital District and the Harris
County Hospital District Foundation Children's Health Fund
for the Ben Taub General Hospital Adolescent Clinic and
acceptance of funding in the amount of \$50,000.

20. **Motion 05.6-295**

Moved by Dr. Louie, seconded by Mr. Franklin, and
unanimously passed, that the Board approve an agreement
between the Harris County Hospital District and the
Department of State Health Services for Breast and Cervical
Cancer Control Services and acceptance of funding in the
amount of \$55,000 for the term July 1, 2005 through June 30,
2006.

21. **Motion 05.6-296**

Moved by Dr. Louie, seconded by Mr. Franklin, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and the Department of State Health Services for Tuberculosis Prevention and Control Program in the amount of \$35,000 for the term September 1, 2005 through August 31, 2006.

22. **Motion 05.6-297**

Moved by Dr. Louie, seconded by Mr. Franklin, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and the Department of State Health Service Epilepsy Program and acceptance of funding in the amount of \$62,000 for the term September 1, 2005 through August 31, 2006.

23. **Motion 05.6-298**

Moved by Dr. Louie, seconded by Mr. Franklin, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and Baylor College of Medicine to provide physician services using funds awarded by the Hogg Foundation for Mental Health for the term July 1, 2005 through June 30, 2006.

24. Consideration and Possible Action regarding Gateway to Care and Funding for Federal Qualified Health Centers (FQHCs)

No action taken on this agenda item.

25. Discussion and Possible action regarding the Restructuring of the Hospital District's Outstanding Bonds and other Debt

Mr. Edwin Harrison, Harris County Financial Office reported to the Board options available for restructuring of the Hospital District's Outstanding Bonds and other debt. Much discussion ensued.

Motion 05.6-299

Moved by Mr. DonCarlos, seconded by Mr. Franklin, and unanimously passed, that the Harris County Financial Office prepare a proposed refinancing plan which includes a timetable, rates, numbers, proposed professionals to be hired for the refinancing, etc. for presentation at the July Board meeting.

Ms. Spinks left the meeting at this time (12:40 p.m.).

C. Information Technology Committee

The Information Technology Committee did not meet and the following informational item is coming directly to the Board:

Information Technology Project Assessment Report for Epic, PeopleSoft H.R. & Payroll, Picture Archival and Communication System (PACs), and Patient Management and Accounting

No action required as this item was presented for information only.

D. Clinic Committee

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

Report on On-going Activities of the Council-at-Large

Mr. Dewitt McAfee thanked the Board and Administration for their support of the health centers. He gave a brief update on the progress of renovations at the Northwest Health Center and extended an invitation to everyone for the open house scheduled later this year.

No action required as this item was presented for information only.

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

E. Governmental & Public Affairs Committee

Mr. King Hillier reported the following:

- The Texas Health and Human Services Commission (Commission) has reduced its biennial budget reduction target figure for Medicaid from \$109 to \$73 million. This reduction was mainly targeted at hospitals and physician providers. The \$36 million reduction was achieved through enhanced case management and disease management through private contractors statewide. This has a positive fiscal impact on Medicaid billings for HCHD.
- The Commission also announced that it would eliminate Medicaid Primary Care Case Management (PCCM) fee for service reimbursement in managed care markets. This will have the impact of reducing UPL to HCHD by

approximately \$3 million in potential future payments. Unknown at this time will be the potential impact on future regional UPL payments.

- The Commission announced that in August or early September the transferring public hospitals of our state would be in receipt of approximately \$40 to \$80 million net in Medicaid supplemental payments. Approximately \$50 million in DSH and \$30 million in UPL.
- The Commission is in the process of setting up nine (9) regional meetings with County Commissioners Courts and their respective Hospital Districts. The Commission is in the process of setting that meeting with Judge Robert Eckels and senior HCHD administrative staff. This meeting will allow Harris County to negotiate the future of managed care in our market and the maintenance of a financially viable and sustainable UPL/DSH program.

Ms. Mary Schneider reported the following:

- At the end of April, Congress passed its FY2006 Budget Resolution, which included reconciliation instructions directing the Senate Finance Committee and the House Energy and Commerce Committee to reduce spending on programs and submit savings recommendations by September 16, 2005.
- The House Labor, Health and Human Services Appropriations Subcommittee marked up its FY2006 spending bill.
- The Labor Health and Human Services Education bill was scheduled for mark-up July 14, 2005.
- The formal nomination of Mr. Lopez for appointment to the Medicaid Commission which was established to study the Medicaid program.

Mr. Attwell called on Mr. Jackson who called on Mr. Lawrence Bell to present agenda items related to the Buildings & Properties Committee.

F. Buildings & Properties Committee

The Buildings & Properties Committee met June 21, 2005 and brings forth the following consent agenda items for Board approval:

1. **Motion 05.6-302**

Moved by Mr. Wortham, seconded by Mr. Lemond, and unanimously passed, that the Board authorize the Harris County Hospital District to enter into lease Option 2 with Dr. Haram S. Azard and Mr. Manohar S. Mann for the leasing of approximately 9,725 square feet of space for the South Loop Eligibility Center. Lease Option 2 is for the period of August 1, 2005 through July 31, 2006 with a monthly lease rate of \$8,735.99 and can be terminated with a 90-day notice.

2. **Motion 05.6-303**

Moved by Mr. Wortham, seconded by Mr. Lemond, and unanimously passed, that the Board award the Ben Taub General Hospital Medical Gas System Project for Construction services to Way Engineering, based on their best bid of \$652,000. Additionally, it is recommended that a \$32,600 (5% of bid) owner's contingency allowance be established.

3. **Motion 05.6-304**

Moved by Mr. Wortham, seconded by Mr. Lemond, and unanimously passed, that the Board award the Ben Taub General Hospital Pre-Operatory Holding Renovation Project for construction services to Brothers Contracting Partners, L.P. based on their best bid of \$101,000. Additionally, it is recommended that a \$12,000 (12% of bid) owner's contingency allowance be established.

4. Consideration of Award of Contract for Construction Services to K. Austin & Associates for the Ben Taub General Hospital Loading Dock Modification Project.

This item was pulled.

Mr. Attwell called on Mr. Wortham who called on Ms. Lou Gould to present agenda items related to Personnel Committee.

G. Personnel Committee

1. The Personnel Committee met June 21, 2005 and brings forth the following consent agenda items for Board approval:

a. **Motion 05.6-300**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an agreement

with Callan Associates, Inc. to conduct a search for a Large Cap Core Mutual Fund for the 401(k) Plan.

b. **Motion 05.6-301**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an amendment of the Harris County Hospital District Plan for bridging of service to be executed by the President/CEO.

Mr. Attwell presented the agenda items related to Miscellaneous.

VII. Miscellaneous Agenda Items

1. **Motion 05.6-305**

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Board approve ratification of a committee composed of Danny Jackson, Chair, Stephen DonCarlos and Carolyn Truesdell to assist in the search for a selection of a new Chief Financial Officer for the Harris County Hospital District.

2. **Motion 05.6-306**

Moved by Mr. Lemond, seconded by Mr. Franklin, and unanimously passed, that the Board approve rescission of Harris County Hospital District Policy 2218 (user Access & Confidentiality) which has been replaced by the approved policies necessary to comply with HIPAA Security requirements.

VIII. Items Related to Miscellaneous Reports

Report on the agreement between the Harris County Hospital District and Houston Community Healthcare Center, Inc. for Radiology and Laboratory Services aka Denver Harbor/Port of Houston Clinic.

Mr. Jeffrey Hausler presented an update on this agreement with Denver Harbor/Port of Houston Clinic. He stated that, to date the Hospital District has provided no services under this agreement; however, Denver Harbor is desirous of renewing this agreement upon the expiration of the current term.

No action required presented for information only.

IX. Executive Session

At 1:19 P.M. Mr. Attwell stated that the Board would go into Executive Session under Section 161.032 of the Texas Health & Safety Code and Chapter 551, Texas Government Code, Section 071, 072 and 074 as permitted by law. He stated that the regular meeting of the Board would reconvene at the close of Executive Session.

X. Reconvene

At ____ ____.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

No action was taken on this item as it was presented for information only.

- B. Consultation with the County Attorney regarding the Status of Litigation involving LBJ Property Acquisition, pursuant to Tex. Gov't Code Ann. § 551.071

No action taken on this agenda item.

- C. Consideration of Approval to File a Lawsuit against Ray C. Anderson on an unpaid account and in the alternative, to Enforce a Settlement Agreement and Possible Action regarding this matter upon return to Open Session, pursuant to Tex. Gov't Code Ann. § 551.071

Motion 05.7-_____

Moved by _____, seconded by _____, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, approved and hereby authorizes the filing of a lawsuit in the amount of \$20,388.53 against Ray C. Anderson on an unpaid account or in the alternative, to enforce a settlement agreement for \$12,500.00 on said account, and that David S. Lopez, President and CEO, be authorized to execute settlement documents on behalf of the Harris County Hospital District.

- D. Discussion of Civil Action No. 04-3066; *Sanitec Industries, Inc. v. Micro-Waste Corporation*, in the U.S. District Court for the Southern District of Texas, Houston Division, pursuant to Tex. Gov't Code Ann. § 551.071

No action taken on this agenda item.

- E. Request by the County Attorney to Advise the Board regarding Employee Benefits, pursuant to Tex. Gov't Code Ann. § 551.071

No action required.

- F. 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

Motion 05.7-

Moved by _____, seconded by _____, and unanimously passed, that the Board approve

Or it could be:

No action taken on this agenda item.

- G. Consultant with the County Attorney regarding the District's Agreement with QuadraMed Corporation for the Master Patient Index Clean-up Project, pursuant to Tex. Gov't Code Ann. § 551.071

XI. Adjournment

Moved by _____, seconded by _____, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at _____
___.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 July 28, 2005.