



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

Thursday, May 26, 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, Interim Chief Operating Officer
Ms. Gwen Huskey, Interim Chief Financial Officer
Mr. Kelly Johnson, Harris County Purchasing
Mr. Jack McCown, Harris County Purchasing Agent
Attorney Mercedes Leal, County Attorney's Office
Mr. Mark Fury, Commissioner Steve Radack's Office
Ms. Suzanne McPherson, Commissioner El Franco Lee'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 Meetings

Motion 05.5-208

Moved by Mr. Attwell, seconded by Ms. Spinks and unanimously passed, that the Board approve the minutes of the April 28, 2005 regular meeting of the Board of Managers as presented.

III. Hear from Citizens

No citizens were present to speak to the Board.

IV. Governmental & Public Affairs Committee

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

1. Report on State and Legislative Update and Possible Recommendations regarding Status of the 79th Legislative Session Policy Issues Brief, Priority Legislative Platform, and Appropriations affecting the Harris County Hospital District

Mr. King Hillier presented a brief summary of the 79th Legislative Session regarding Medicaid/Children's Health Insurance Program, Trauma, Uninsured, Nursing Workforce, Patient Safety/Quality of Care, Medical Liability, Workers' Compensation, and Physician Self-Referral. Much discussion ensued.

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

2. Report on Status of Modification of Legislative Platform regarding Women's Health Waiver Proposal

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

V. Update from President/CEO on the Harris County Hospital District Fiscal Year 2006 Operating Strategy

Mr. David Lopez gave a brief update on discussions taking place at the District relating to the FY-2006 Operating Strategy. Much discussion ensued. Some of the areas included in his report are:

1. Ways for the District to avoid duplication of services;
2. Impact of the FQHCs;
3. Capital projects report to the Board in late June or early July.

Mr. Attwell called on Mr. Danny Jackson to present agenda items relating to purchasing.

VI. Purchasing

The Fiscal Affairs Committee met on May 13, 2005 and brings forth the following consent items for approval:

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

A. (1). Purchasing Recommendations requiring Board Approval

a. **Motion 05.5-209**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award, on the basis of best proposal meeting requirements, to AFLAC (American Family Life Assurance Company of Columbus, GA) and LegalPlans USA for voluntary employee benefits for the term July 1, 2005 through February 28, 2006 with four (4) one-year renewal options. (Employee contributions only, no Hospital District funds are required.)

Mr. Jackson called the Board's attention to the fact that even though this is supplemental coverage, no two companies will pay for the same service.

b. **Motion 05.5-210**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve utilization of the Tyco Healthcare Puritan Bennett (PP-CE-044) contract to purchase four (4) mechanical ventilators from Tyco Healthcare Puritan Bennett in the amount of \$130,764.

c. **Motion 05.5-211**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve ratification of purchases to be made on an emergency basis from Schindler Elevator Corp. to repair elevators at Ben Taub General Hospital in the amount of \$698,315.

d. **Motion 05.5-212**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve ratification of purchases made on an emergency basis for Immune Globulin IV product from F.F.F. Enterprises, Inc. in

the amounts of \$56,740 (LBJ) and \$112,704 (BT) for the total amount of \$169,444.

e. **Motion 05.5-213**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the fourth and final renewal option for Craven & Plummer, Inc. for operation of the dental facilities throughout the CHP Clinics in the amount of \$4,492,588 for the term July 1, 2005 through June 30, 2006. The agreement allows for annual increases not to exceed the Greater Houston Area's calculated annual Medical CPI, which has been verified at 4.0%.

f. **Motion 05.5-214**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the second of four (4) renewal options for Harger Howe & Associates, Ltd. for employment recruitment advertising in the estimated amount of \$700,000 for the term May 29, 2005 through May 28, 2006. The vendor has agreed to renew under the same terms and conditions as set forth in the agreement, with no increase in pricing.

g. **Motion 05.5-215**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the first of four (4) renewal options to the following:

Allied Interstate, Inc.	(estimated) \$ 455,390
Universal Fidelity LP	(estimated) 1,113,272
Gulf Coast Collections, Inc.	(estimated) 1,536,018
Total estimated amount	\$3,104,680

for collection services for overdue patient accounts (Primary and Secondary Placements) for the term June 1, 2005 through May 31, 2006. The vendors have agreed to renew under the same terms and conditions as set forth in the agreements, with no increase in fees. The amount is based on a percentage of collections.

h. **Motion 05.5-216**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the second of four (4) renewal options to Cardinal Health to

provide warehousing and distribution of pharmaceutical produces for use through the District in the estimated amount of \$80,000,795 for the term May 1, 2005 through April 30, 2006.

Mr. Jack McCown informed the Board that the correct amount of the award is \$80,000,795.

i. **Motion 05.5-217**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the first of four (4) renewal options to Patient Care Systems, Inc. for the rental of special care beds and surfaces in the estimated amount of \$150,000 for the term June 1, 2005 through May 31, 2006. The vendor has agreed to renew under the same terms and conditions as set forth in the awarded contract, with no increase in pricing.

j. **Motion 05.5-218**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the fourth year of a five (5) year term for GE Medical Systems to provide repair and maintenance services for two (2) CT Scanners, two (2) MRI Scanners, one (1) Mini Pacs and one (1) Mammography Glasspro unit at Ben Taub and Lyndon B. Johnson General Hospitals in the estimated amount of \$664,800 for the term July 1, 2005 through June 30, 2006.

k. **Motion 05.5-219**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award, on the basis of low bid, to Iron Mountain to provide off-site storage and maintenance of financial and assorted business records and retrieval services in the estimated amount of \$122, 405 for the term one year upon execution of agreement with four (4) one-year renewal options. Approval is contingent upon execution of agreement.

l. **Motion 05.5-220**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve additional funds for SPI Healthcare Documentation in the

estimated amount of \$80,000 for Medical Transcription Services (Radiology) for the term of April 1, 2004 through March 31, 2005. (Previous funding \$250,650 plus additional estimated funding \$80,000 for total estimated funding of \$330,650.)

m. **Motion 05.5-221**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve funding for year three (3) of a four (4) year agreement for Bank of America, N.A. in the estimated amount of \$204,000 and Bank One, N.A. in the estimated amount of \$13,095 for an estimated total of \$217,095 to provide general banking and investment services.

n. This item was pulled at the May 13, 2005 Fiscal Affairs Committee meeting.

o. **Motion 05.5-222**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the corrected term of an award to Baxa Corporation (PP-NS-126) for compounders and accessories for intravenous systems and products in the estimated amount of \$155,148 for the term February 1, 2005 through January 31, 2006. (The previous awarded term was May 1, 2004 through April 30, 2005.)

p. **Motion 05.5-223**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve utilization of the Peak Use Rental Equipment (PP-CE-334) contract for an award to Universal Hospital Services for clinical rental equipment in the estimated amount of \$125,000 for the term November 1, 2004 through October 31, 2005.

q. **Motion 05.5-224**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an exemption from the competitive bid requirements for an award to Brent Hardaway, Rick Carter, Marlowe Dazley, Todd Halpin, Mike Romano, Kristin Pratt, Trevor Kobe, Kyle Kobe, Meredith Hostick, Daniel

Bergantz, David Olson, Michael Satarino, Jacob Steed, Bryan Smith, Cindy Marquat, Dave Odom, Dana Craven and Ryan Bowcut through Phase 2 Consulting for revenue cycle assessment, AMS audit, and eligibility process improvement in the amount of \$673,000 for the term June 1, 2005 through December 31, 2005. Approval is contingent upon execution of the agreement.

r. **Motion 05.5-225**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an exemption from the competitive bid requirements and renewal of an award to Affiliated Medical Services to provide physician staffing and services in the estimated amount of \$115,771,198 for the term July 1, 2005 through June 30, 2006.

s. **Motion 05.5-226**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve additional funds and an extension to Cardinal Health, Inc. for temporary staffing of pharmacy professionals in the estimated amount of \$400,000 for the term June 1, 2005 through July 31, 2005. (\$2,900,000 funding for April 1, 2004 through May 31, 2005 for a total estimated funding for April 1, 2004 through July 31, 2005).

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 03/0181: Transportation Services for Patients and Packages

Transmittal of the second and final renewal option with Greater Houston Transportation Company dba Yellow Cab to provide package express and patient transportation when the situation warrants in the estimated amount of \$40,000 for the term July 1, 2005 through June 30, 2006. The vendor has agreed to renew under the same terms and conditions as set forth in the awarded contract with no increase in pricing.

b. Job 01/0128; BM 01.6-260: Medical Records Patient Chart Folders

Transmittal of the fourth of four (4) renewal options with Thompson Paper Products to provide medical record patient chart folders in the estimated amount of \$75,763 for the term July 1, 2005 through June 30, 2006. The contractor has agreed to renew under the same terms and conditions as set forth in the contract, with no increase in pricing.

c. Job 04/0341; BM 04.12-526: Armored Car Services

Transmittal of the first of four (4) renewal options with Brink's U.S. for armored car services in the estimated amount of \$63,933.12 for the term August 1, 2005 through July 31, 2006. The vendor has agreed to renew under the same terms and conditions as set forth in the awarded contract, with no increase in pricing.

d. Transmittal of Purchases for categories of Goods and/or Services, per attached letter. (Appendix "A")

Transmittal of purchases in the amount of \$1,179,256 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. TSMAS, DIR, etc.);
6. Personal Services;
7. Professional Services.

B. The following items did not go to Fiscal Affairs Committee and come directly to the Board for approval:

1. **Motion 05.5-227**

Moved by Mr. Jackson seconded by Mr. Franklin, and unanimously passed, that the Board approve the third of four (4) renewal options with MedQuist Inc. –

Transcriptions, Ltd. to provide transcription services in the estimated amount of \$611,953 for the term March 1, 2005 through February 28, 2006. The vendor has agreed to renew under the same terms and conditions as set forth in the awarded contract.

2. **Motion 05.5-228**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve additional funds and an extension to Sodexo Marriott Services of Texas Limited Partnership to continue to provide housekeeping services until a new award is made and an agreement, prepared by the County Attorney's Office, is executed in the estimated amount of \$641,396 for the term June 1, 2005 through June 30, 2005. (Previous funds for April 4, 2004 through May 31, 2005 are \$8,979,542 for a total amount of \$9,620,938). The vendor has agreed to extend under the same terms and conditions as set forth in the awarded contract, with no increase in pricing.

3. **Motion 05.5-229**

Moved by Mr. Jackson seconded by Mr. Franklin, and unanimously passed, that the Board approve the renewal option with Texas Health and Human Services Commission for outstationed eligibility advisors in health care facilities in the estimated amount of \$931,842 for the term June 1, 2005 through May 31, 2006. The renewal is subject to execution of the agreement.

4. Transmittal of an award to Jose Bayona, M.D. (Physician Advisor) through The University of Texas Health Science Center at Houston for clinical case management services in the amount of \$80,000 for the term April 1, 2005 through March 31, 2006 with two (2) one-year renewal options.

No action required.

C. Information Technology Items related to Purchasing

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

1. Purchasing recommendations requiring Board approval:

a. **Motion 05.5-230**

Moved by Mr. Lemond, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award, on the basis of best bid, to Affiliated Communications to provide Nortel telephones and equipment in the amount of \$340,830 for the term June 1, 2005 through March 31, 2006 with one (1) one-year renewal option.

b. **Motion 05.5-231**

Moved by Mr. Lemond, seconded by Mr. Wortham, and unanimously passed, that the Board approve additional funds for Healthlink, Inc. to provide assistance and implementation services associated with the Epic Project in the estimated amount of \$857,157 for the term May 27, 2005 through May 26, 2006. (Previous funding of \$592,299 for the current term makes the total current term amount \$1,449,456).

2. **Motion 05.5-232**

Moved by Mr. Lemond, seconded by Mr. Wortham, and unanimously passed, that the Board approve the purchase, on the basis of sole source, of upgrades and annual maintenance for the pharmacy refill line from Ateb, Inc. to enhance and expand patient care for pharmacy prescription refills through easier access for prescriptions in the amount of \$114,170.

3. **Motion 05.5-233**

Moved by Mr. Lemond, seconded by Mr. Wortham, and unanimously passed, that the Board approve the assignment of an agreement with Capgemini Healthcare Solutions, f.k.a. Cap Gemini Ernst & Young Contract to Accenture LLP. The closing of the sale is expected on or about June 1, 2005.

VII. Reports of the Committees

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

A. Joint Conference Committee

1. The Joint Conference Committee met on May 11, 2005 and brings forth the following informational reports:

- a. Report of the Board of Managers Joint Conference Committee
- b. Update on Emergency Psychiatric Services
2. The following items did not go to Joint Conference Committee and come directly to the Board for approval:

- a. **Motion 05.5-234**

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Board approve the Appointments, Reappointments and Changes of Status for members of the HCHD Medical Staff for May 2005 as recommended by the Medical Board.

- b. **Motion 05.5-235**

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

- c. **Motion 05.5-236**

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board approve ratification of the appointment of Dr. Wayne Riley or designee to the Joint Conference Committee.

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

B. Fiscal Affairs Committee

1. The Fiscal Affairs Committee met on May 13, 2005 and brings forth the following consent item for Board approval:

Motion 05.5-237

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

Much discussion ensued following Ms. Gwen Huskey's presentation of the Financial Report.

2. The following item was presented at the Fiscal Affairs Committee meeting on April 15, 2005 and is being brought to the Board at this time:

Discussion and Consideration of Possible Recommendations from the Harris County Financial Services Office regarding Debt Structure for the Harris County Hospital District

This will be taken to the next Fiscal Affairs Committee meeting for consideration.

At this time Mr. Attwell announced that the agenda item VII. E. Personnel Committee would be taken out of order (10:55 A.M.)

Mr. Attwell called on Dr. Louie who called on Mr. Tim Tindle to present the agenda item related to Information Technology Committee.

C. Information Technology Committee

The Information Technology Committee did not meet and brings forth the following informational reports:

1. Strategic Project Status
 - a. Epic Clinical Information Systems
 - b. PeopleSoft Phase II – H.R. and Payroll Systems
 - c. FUJI PACS System (Picture Archival and Communication System)
 - d. Patient Management/Patient Accounting

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

2. Information Technology Financial Update
 - a. FY-06 Financial Overview
 - b. Strategic Projects Costs (Past, Present and Future)

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

Mr. Attwell called on Mr. Franklin to present the Agenda item related to Clinic Committee.

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

No one was available to give a report.

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

E. Personnel Committee

This agenda item was taken out of order (10:55 A.M.)

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

1. **Motion 05.5-238**

Moved by Mr. Wortham, seconded by Mr. Franklin, and unanimously passed, that the Board approve the Change of Positions Policy to provide guidelines to change positions and seek promotions within the Hospital District.

2. Consideration of Approval of Policy regarding Payment of Wages

This item was pulled and will come to the Board at a later date.

3. **Motion 05.5-239**

Moved by Mr. Lemond, seconded by Mr. Wortham, and unanimously passed, that the Board approve modifying the Harris County Hospital District Benefit Plans to cover part-time staff working less than 32 hours per week.

Mr. Attwell announced that at this time agenda items VIII. Miscellaneous F & G would be taken out of order (11:00 A.M.)

F. Buildings & Properties Committee

1. The Buildings & Properties Committee met on May 13, 2005 and brings forth the following consent agenda items for Board approval:

a. **Motion 05.5-242**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board authorize the Harris County Hospital District to enter into lease "Option 3" with Warehouse Associates, for the time period of July 1, 2005 to June 30, 2006 with a 90-day termination clause. The lease rate for this time period is \$4,031.55 per month.

b. **Motion 05.5-243**

Moved by Mr. Lemond, seconded by Mr. Franklin, and unanimously passed, that the Board award the Ben Taub General Hospital Domestic Water Heater System Replacement Project for construction services to B.K. Mechanical Services, Inc. based on their best bid of

\$187,200. Additionally, it is recommended that a \$22,500 (12% of bid) owner's contingency allowance be established.

2. Items Related to Reports

Report on the Status of the Alief Community Health Center Project

Mr. Lawrence Bell presented highlights from a recent meeting relating to the Alief Community Health Center Project. Much discussion ensued.

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

3. The following item did not go to the Buildings & Properties Committee and comes directly to the Board for approval:

Motion 05.5-244

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Board authorize the Harris County Hospital District to amend the 9th Floor Lease Agreement with South Loop Associates, L.P., to include the 7th floor. The monthly lease rate for months 1-30 will be \$32,760.

VIII. Miscellaneous

Agenda items F and G were taken out of order (11:00 A.M.)

A. **Motion 05.5-245**

Moved by Mr. DonCarlos, seconded by Ms. Spinks, and unanimously passed, that the Board accept the resignation of Dr. Michael G. Stewart from the Community Health Choice, Inc. (CHC) Board of Directors.

B. **Motion 05.5-246**

Moved by Ms. Truesdell, seconded by Dr. Louie, and unanimously passed, that the Board approve a Consumer Services Contract between the Harris County Hospital District and the Texas Department of Assistive & Rehabilitation Services for DARS to be the payor for rehabilitative services the District performs for eligible patients under the Department of Rehabilitative Services for the term of the latter of May 01, 2005 or on the signature of both parties through April 30, 2007.

C. **Motion 05.5-247**

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Board approve an Agreement between the Harris County Hospital District and the Hogg Foundation for Mental Health and acceptance of funding in the amount of \$454,867. Further, the Board approve that Lenore Teske, Director of Community Case Management serve as Project Director for this project and to execute this Agreement with David S. Lopez, President and CEO on behalf of the Harris County Hospital District.

- D. Consideration of Acceptance of a Federally Qualified Health Center (FQHC) Promissory Installment Note with the Harris County Hospital District.

This item was pulled.

- E. **Motion 05.5-248**

Moved by Ms. Spinks, seconded by Ms. Truesdell, and unanimously passed, that the Board approve and accept the names of the Harris County Hospital District Foundation Board of Trustees 2005/2006.

- F. **Motion 05.5-240**

Moved by Mr. Lemond, seconded by Mr. Franklin, and unanimously passed, that the Board waive Article XVII, item#2 of the Bylaws of the Board of Managers of the Harris County Hospital District as adopted December 4, 2003 so that the Board may consider additions due to the new scoring system required by JCAHO.

- G. **Motion 05.5-241**

Moved by Mr. Lemond, seconded by Mr. Franklin, and unanimously passed, that the Board approve adding the following items to the Bylaws of the Board of Managers of the Harris County Hospital District:

1. "Ensure that an integrated patient safety plan is implemented throughout Harris County Hospital District" to the duties of the Board of Managers (Article III).
2. "Annually evaluates the District's performance in relation to its vision, mission, and goals" to the duties of the Board of Managers (Article III).
3. "Establish internal controls to effectively operate Harris County Hospital District which include:

- Establishing and maintaining information and support systems,
- Recruiting and retaining staff, and
- Conserving physical and financial assets.”

to the duties of the President/Chief Executive Officer (Article XI, Section 1).

Mr. Attwell announced that the meeting would return to the regular order of the agenda beginning with agenda item VII. C. Information Technology Committee.

Mr. E. Dale Wortham left the meeting at this time. (11:01 A.M.)

H. **Motion 05.5-249**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve correcting the term of the award to Midwest Employers Casualty Co. through Alamo Insurance Group, Inc. in the estimated amount of \$234,809 for Excess Workers' Compensation and Employer's Liability Insurance from March 1, 2005 through February 28, 2005 to read March 1, 2005 through February 28, 2006 with no renewal options.

I. Discussion and Possible Action regarding Policy 3.06: Delegation of the Duties of the President/CEO

Motion 05.5-250

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board appoint an individual to perform the duties of the President/Chief Executive Officer of the Harris County Hospital District when he/she is unable to do so.

J. **Motion 05.5-251**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the appointment of the Executive Vice President/Chief Operating Officer as the Assistant Administrator for the Harris County Hospital District.

Mr. Jim Lemond left the meeting at this time (11:50 A.M.)

K. **Motion 05.5-256**

Moved by Mr. DonCarlos, seconded by Mr. Franklin, and unanimously passed, that the Board approve the President/CEO's

request to continue to serve on boards of certain non-profit organizations and provisions of personal services in non-Harris County Hospital District related litigation.

This item was deferred until after Executive Session.

IX. Items Related to Miscellaneous Reports

Report on the Harris County Hospital District's Procurement Process Audit Performed by Harris County Auditors

No action required presented for information only.

X. Executive Session

At 11:59 A.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.

XI. Reconvene

At 12:55 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, HIPPA, 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. Discussion and Possible Action in Open Session authorizing the Filing of a Lawsuit against Rosa Hernandez, Jerry O. Gottesman, and Farmers Insurance Co. for Failure to Pay a Hospital Lien pursuant to Tex. Gov't Code Ann. §551.071

Motion 05.5-252

Moved by Ms. Truesdell, seconded by Mr. DonCarlos, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, hereby approves the recommendation of the County Attorney and hereby authorizes the filing of a lawsuit against Rosa Hernandez, Jerry O. Gottesman, and Farmers Insurance Co., for collection of its Hospital Lien.

- C. Consideration of the Filing of a Claim in Accordance with the Claims Filing Instructions for Third Party Payors in Master File No. 02-CV2007; *In Re Remeron End-Payor Antitrust Litigation*; U.S. District Court for the District of New Jersey, and Possible Action Authorizing David S. Lopez, President and CEO, to File a Claim and Execute Settlement Documents on behalf of the Harris County Hospital District pursuant to Tex. Gov't Code Ann. §551.071

Motion 05.5-253

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, approved and hereby authorized the filing of a claim in accordance with the claims filing instructions for Third Party Payors in, Master File No. 02-CV-2007; *In Re Remeron End-Payor Antitrust Litigation*; U.S. District Court for the District of New Jersey, and David S. Lopez, President and CEO, be authorized to execute settlement documents on behalf of the Harris County Hospital District.

- D. 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 taken.

- E. Consultation with Legal Counsel regarding Third Amendment to Administrative Services Agreement between Community Health Choice, Inc. and the Harris County Hospital District pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

Motion 05.5-254

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Board approve a Third Amendment to an Administrative Services Agreement between Community Health Choice, Inc. and Harris County Hospital District.

- F. Consideration of Employment Agreement with the President and Chief Executive Officer of Community Health Choice, Inc. and an Agreement between the Harris County Hospital District and Community Health Choice, Inc. regarding the Supervision of the President and Chief Executive Officer of Community Health Choice, Inc. pursuant to Tex. Gov't Code Ann. §§551.071 and

551.074 and Possible Action regarding these Matters Upon
Return to Open Session

No action taken.

- G. Consideration of an Employment Agreement between the Harris County Hospital District and David S. Lopez pursuant to Tex. Gov't Code Ann. §551.074 and Possible Action regarding the Matter Upon Return to Open Session

Motion 05.5-255

Moved by Dr. Louie, seconded by Ms. Truesdell, and unanimously passed that, that the Board approve an Employment Agreement between the Harris County Hospital District and David S. Lopez appointing him President/CEO of the Harris County Hospital District for a salary of \$350,000 plus other benefits as provided therein which are the customary benefits provided for employees of the District. The appointment shall be for a term beginning May 27, 2005 and ending May 26, 2007, unless sooner terminated under provisions provided for in the Agreement.

XII. Adjournment

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 12:56 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 May 26, 2005.

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

Carolyn Truesdell, Secretary

Recorded by Anne McCowan