



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

Thursday, April 27, 2006

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
Ms. Mary Spinks

BOARD MEMBERS ABSENT

Mr. Jim Lemond
Mr. E. Dale Wortham

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. Jack McCown, Harris County Purchasing Agent
Mr. Kelly Johnson, Harris County Purchasing
Attorney Rose Garcia, County Attorney's Office
Ms. Catarina Cron, Judge Robert Eckels' Office
Ms. Gloria Moreno, Commissioner Sylvia Garcia's Office
Mr. Mark Fury, 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 06.4-208

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve the minutes of the March 30, 2006 regular meeting of the Board of Managers. (These minutes include typographical corrections as recommended by Ms. Truesdell.)

Mr. Attwell recognized Dr. Daniel Louie as the recipient of the 2006 Savvy Award presenting him with the framed award including a picture of all the 2006 recipients.

III. Hear from Citizens

Mr. Walter Protheroe addressed the Board regarding services received at Ben Taub General Hospital.

Mr. Overton LeBlanc addressed the Board regarding Dr. Margo Hilliard's leadership as administrator of Lyndon B. Johnson General Hospital. He thanked her for her tireless dedication to the employees and patients and informed the Board that it will be hard finding someone to fill her shoes.

Ms. Carol Moore, Ms. Yvonne Toney, Ms. Faye Vance, Ms. Velma Applewhite and Ms. Titiana Brown, all employees of Lyndon B. Johnson General Hospital, thanked Dr. Margo Hilliard for her leadership as Administrator of that facility. They wished her well in her new role with the District as Administrator, Community Services. Each of the employees shared their personal interactions with Dr. Hilliard and expressed how she has positively impacted their lives and their careers. They then presented Dr. Hilliard with a bouquet of red roses.

Ms. Robin Curtis, President/CEO of Greater Houston Development Corp. addressed the Board regarding a request that the Harris County Hospital District compensate Greater Houston for the wrongful removal and destruction of homes donated to them by Textac Partners donated to them for the organization's affordable housing program in 2004. She asked that the Board identify to them, the senior level person that they need to submit their request to for a timely and reasonable and fair resolution.

Mr. Attwell referred Ms. Curtis to Mr. Lopez stating that the District will thoroughly investigate this matter and take such action deemed appropriate to remedy the situation.

Mr. Attwell announced that the Board would take an executive session agenda item out of order and go into executive session at 9:28 a.m.

IV. Purchasing

This agenda item was taken out of order.

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

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

A. Procurement Actions

Mr. Jackson announced that agenda items A.(1).c., A.(1).l., and A(1).o. are being pulled.

1. Consideration of Recommendation regarding Approval of Purchases requiring Board Approval:

a. **Motion 06.4-216**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of best proposal to Midwest Employers Casualty Co. through Alamo Insurance Group, Inc. in the estimated amount of \$398,361 for excess workers' compensation and employer's liability insurance for the term March 31, 2006 through March 31, 2007.

b. **Motion 06.4-217**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a change in contract and vendor settlement for American Medical Equipment Co. (BM 05.6-266) in the amount of \$114,625 for C-Pap and Bi-Pap equipment and services for the term August 1, 2005 through July 31, 2006, contingent upon execution of the agreement.

(The Hospital District has determined that it will no longer provide C-Pap and Bi-Pap services. This settlement requires payment of outstanding vendor charges for these services from May 2005 through November 2005 and for C-Pap and Bi-Pap equipment being used by patients. The equipment is now property of those patients. Previously approved funding in the amount of \$500,00 for the contract year will be sufficient to pay the settlement amount.)

c. Premier Contract PP-CE-322; BM 03.12-490: Automated Medication Dispensing System (Storage and Ordering)

This item was pulled.

d. **Motion 06.4-218**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of best overall contract to Agfa Corporation Imaging Headquarters for dry-film printers at no cost to the District.

e. **Motion 06.4-219**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve additional funds and an extension for SPI Healthcare Documentation in the amount of \$50,000 for medical transcription services (Radiology) for the extended term of April 1, 2006 through May 31, 2006 or until a new contract is in place. (The Board previously approved \$285,000 for the term April 1, 2005 through March

31, 2006; these additional funds bring the total funded amount to \$335,000.)

f. **Motion 06.4-220**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve additional funds and an extension for Texas Medical Center Laundry Cooperative Association in the amount of \$503,806 for laundry and linen distribution services for the extended term of May 1, 2006 through June 30, 2006. (The Board previously approved \$1,752,369 for the term May 1, 2005 through April 30, 2006; these additional funds bring the total funded amount to \$2,256,175.)

Following discussion regarding the extended term date and amount of additional funds, the following motion was made:

Motion 06.4-221

Moved by Ms. Truesdell, seconded by Mr. DonCarlos, and unanimously passed, that the Board approve an extension for Texas Medical Center Laundry Cooperative Association for the extended term of May 1, 2006 through July 31, 2006.

g. **Motion 06.4-222**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis on only bid received to Toshiba America Medical Systems in the amount of \$166,015 for preventive maintenance and repair services for two (2) Toshiba cath labs at Ben Taub General Hospital for the term May 1, 2006 through April 30, 2007 with three (3) one-year renewal options.

h. **Motion 06.4-223**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of sole source to The Advisory Board (PP-SS-015) in the amount of \$117,400 for the following:

1. Heath Card Advisory Board - \$50,900 for the term October 31, 2006 through October 30, 2007;
2. Nursing Executive Center - \$21,500 for the term June 26, 2006 through June 25, 2007;
3. Financial Leadership Council - \$23,600 for the term March 24, 2007 through March 23, 2008;
4. Human Resources Investment Center - \$21,400 for the term March 19, 2007 through March 18, 2008.

i. **Motion 06.4-224**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the fifth and final renewal of an award on the basis of sole source to GE Medical Systems in the amount of \$670,050 for service contract for CT and MRI units for the term July 1, 2006 through June 30, 2007.

j. **Motion 06.4-225**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the first of two (2) renewal options for (1) DePuy Orthopaedics, Inc.; (2) Smith & Nephew, Inc., Orthopaedic Division; (3) Stryker Orthopaedics; and (4) Synthes (USA) for a total estimated amount of \$3,000,000 for orthopaedic implants for the term May 1, 2006 through April 30, 2007.

k. **Motion 06.4-226**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the third of four (4) renewal options for Harger Howe & Associates, Ltd. in the estimated amount of \$700,000 for employee recruitment advertising for the term May 29, 2006 through May 28, 2007.

l. Job 01/0308; BM 05.5-227: Medical Transcription Services

This item was pulled.

m. **Motion 06.4-227**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the second of four (4) renewal options with (1) Healthlink, Inc.; (2) CTG HealthCare Solutions; (3) Kat & Associates, Inc.; (4) Extyr; (5) Elite Computer Consultants, L.P. (ECOM); and (6) SDRG Controls, Inc. in the total estimated amount of \$6,363,803 for information technology consulting for the term May 27, 2006 through May 26, 2007.

n. **Motion 06.4-228**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the fourth and final renewal option for Cardinal Health Medical Products and Services in the estimated amount of \$944,105 for exam gloves and surgical gloves for the term May 1, 2006 through April 30, 2007.

o. Job 06/0072; Community Perinatal Facilitator Program Services for Community Health Choice, Inc.

This item was pulled.

2. Transmittal of Completed Purchases Under \$100,000
(For Informational Purposes Only requiring no action.)

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

a. Premier Contract PP-CE-274: Air Filter Products

Transmittal of utilization of contract PP-CE-274 based on the lowest and most complete bid to Tri-Dim Filter Corp. in the estimated amount of \$52,775 for air filtration products for the term May 1, 2006 through April 30, 2007.

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

Transmittal of the first of four renewal options for Diamedix Corporation in the estimated amount of \$75,428 for fully automated microplate analyzer and reagents for the term June 1, 2006 through May 31, 2007.

c. Job 04/0086: Scientific Instruments/Medical Diagnostic Equipment and Miscellaneous Property (Vehicle Catastrophe) Coverage

Transmittal of the second and final renewal option for St. Paul Travelers through John L. Wortham & Son, L.P. Insurance in the estimated amount of \$32,459 for scientific instruments/medical diagnostic equipment and miscellaneous property (Vehicle Catastrophe) coverage for the term April 1, 2006 through April 1, 2007.

d. Job 04/0354: Consultant for 401(k) and Pension Plan

Transmittal of the first of three (3) renewal options for Callan Associates, Inc. in the estimated amount of \$77,250 for consultant for 401(k) and pension plan for the term May 1, 2006 through April 30, 2007.

e. Job 06/0082: preventive Maintenance and Repair Services for Linear Accelerators

Transmittal of award on the basis of low bid to Acceletronics, Inc. in the amount of \$56,000 for preventive maintenance and repair services for linear accelerators for the term May 1, 2006 through April 30, 2007 with four (4) one-year renewal options

f. Job 06/0085: Plastic Identification Cards for Patients

Transmittal of award on the basis of low bid to Corporate Express Imaging & Computer Graphic Supplies in the amount of \$58,167 for plastic identification cards for our patients for the term May 1, 2006 through April 30, 2007.

g. Premier Contract PP-NS-333: Chart Paper and Related Products

Transmittal of purchase on the basis of lowest priced contract for chart paper and related products from Tyco Healthcare Group LP, The Kendall

Co. in the estimated amount of \$43,378 for the term April 1, 2006 through March 31, 2007.

h. Job 03/0500: Template Charting Systems for Emergency Center Physicians and Nurses

Transmittal of additional funds for The Poseidon Group, Inc. in the amount of \$35,100 for template charting systems for emergency center physicians and nurses for the term December 1, 2005 through November 30, 2006. (The Board previously approved \$35,004 for the term December 1, 2005 through November 11, 2006; these additional funds bring the total funded amount to \$70,104. The additional funds will cover the monthly software license fee for Ben Taub General Hospital for the period March 1, 2006 through November 30, 2006.)

i. Transmittal of Purchases for Categories of Goods and/or Services

Transmittal of purchases for the Hospital District in the amount of \$125,894 for the following:

1. Compuware Corp. – \$ 39,699 (maintenance and support for Abend-AID/XLS) – Sole Source;
2. Department of Information Resources – \$52,683 (research services) – DIR;
3. McKesson Automation – \$33,512 (annual maintenance of med carousel) – Premier

B. Consideration of and taking Appropriate Action in Connection with Op. Tex. Att’y Gen. N. GA-412 (2006) regarding Calculation of Board’s Votes in Connection with the Award of the Contract for Review and Analysis of the Cost for Voice and Data Communication Circuits and Accounts to Southwest Tariff Analysis on July 28, 2005

Motion 06.4-229

Moved by Mr. DonCarlos, seconded by Ms. Spinks, and unanimously passed, that based on Attorney General No. GA-412 (2006) opinion, the Board approve to correct Board Motion 05.7-332 to reflect that, on the vote of three yeas, two nays and one abstention the motion passed to conditionally award the contract for review and analysis of cost for voice and data communication circuits and accounts for the Harris County Hospital District (Job No. 04/0417) to Southwestern Tariff Analysis, subject to negotiation and execution of a written agreement.

Mr. Stephen DonCarlos departed the meeting at this time.

V. Reports of the Committees

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

This agenda item was taken out of order.

A. Joint Conference Committee

The Joint Conference Committee met April 12, 2006 and brings forth to the Board, the following informational report and recommendations for consideration for approval:

1. Report of the Board of Managers Joint Conference Committee

2. **Motion 06.4-210**

Moved by Mr. DonCarlos, seconded by Dr. Louie, and unanimously passed, that the Board approve the changes in the Medical Staff Rules and Regulations as recommended by the Medical Board.

3. **Motion 06.4-211**

Moved by Mr. DonCarlos, seconded by Dr. Louie, and unanimously passed, that the Board approve the changes in the Medical Staff Fair Hearing Plan as recommended by the Medical Board.

4. **Motion 06.4-212**

Moved by Mr. DonCarlos, seconded by Dr. Louie, and unanimously passed, that the Board approve the Changes in the Medical Staff Credentialing Procedures Manual as recommended by the Medical Board.

The following items did not go to Joint Conference Committee and come directly to the Board for consideration for approval:

1. **Motion 06.4-213**

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board approve the credentialing changes for members of the HCHD Medical Staff for April 2006 as recommended by the Medical Board.

2. **Motion 06.4-214**

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

3. **Motion 06.4-215**

Moved by Mr. DonCarlos, seconded by Mr. Jackson, and unanimously passed, that the Board approve the changes in the Patient Safety Plan as recommended by the Medical Board.

Mr. Attwell announced that the Board will now return to the normal order of the agenda beginning with agenda item IV. Purchasing.

B. Fiscal Affairs Committee

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

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

1. Financial Statement

The March 31, 2006 financial report was included in the packets and reviewed by Ms. Gwen Huskey. Some of the highlighted items include the following:

- Loss of \$1.6 million
- Total operating expenses \$68.3 million or 2.4% over budget
- Total net revenues \$3.6 million or 4.9% less than budget
- Has \$47 million in net accounts receivable
- Operating costs, adjusted for volume, are 6.8% below budget and 0.9% less than last year.

Much discussion ensued.

Motion 06.4-230

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board accept the March 31, 2006 Financial Report subject to final audit.

Mr. Stephen DonCarlos was not present for this vote.

2. **Motion 06.4-231**

Moved by Dr. Louie, seconded by Mr. Jackson, and unanimously passed, that the Board accept the Pension Plan Report for the period ended March 31, 2006 subject to final audit.

Mr. Stephen DonCarlos was not present for this vote.

3. **Motion 06.4-232**

Moved by Ms. Spinks, seconded by Dr. Louie, and unanimously passed, that the Board accept grant funding in the amount of \$109,486.61 from the Texas Department of Public Safety for emergency protective measures in relation to Hurricane Katrina.

Mr. Stephen DonCarlos was not present for this vote.

4. **Motion 06.4-233**

Moved by Ms. Spinks, seconded by Mr. Jackson, and unanimously passed, that the Board approve signature authority for the Harris County Hospital District Benefit Plan Accounts to the following individuals:

David S. Lopez	President & Chief Executive Officer
George V. Masi	Executive VP & Chief Operating Officer
Liz Alhand	Senior VP & Chief Financial Officer
Gwendolyn Huskey	Controller

Mr. Stephen DonCarlos was not present for this vote.

5. **Motion 06.4-234**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve signature authority for the Harris County Hospital District Bank Accounts and certain Community Health Choice, Inc. bank accounts to the following individuals:

Harris County Hospital District

David S. Lopez	President & Chief Executive Officer
George V. Masi	Executive VP & Chief Operating Officer
Alicia Reyes	Administrator – Community Health Programs
Liz Alhand	Senior VP & Chief Financial Officer

Community Health Choice, Inc.

David S. Lopez	Liz Alhand
Glen Johnson, M.D.	Richard Lee

Mr. Stephen DonCarlos was not present for this vote.

6. **Motion 06.4-235**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve a Resolution for Intent to Reimburse Capital Expenditures with Tax-Exempt Financing.

Mr. Stephen DonCarlos was not present for this vote.

7. Presentation of March 2006 Financial Statements of Community Health Choice, Inc.

Informational purposes only requiring no action required.

C. Personnel Committee

The Personnel Committee met April 13, 2006 and brings forth to the Board, the following recommendations for consideration of approval:

1. **Items Related to Appointments**

a. **Motion 06.4-236**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve the appointment of Lylyyan Bradshaw, Gwen Huskey, and Elizabeth Alhand as members to the Harris County Hospital District 401(k) Administrative Committee.

Mr. Stephen DonCarlos was not present for this vote.

b. **Motion 06.4-237**

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

Mr. Stephen DonCarlos was not present for this vote.

2. Items Related to Signature Authority

a. **Motion 06.4-238**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve signature authority for Schedule “D” of the trust agreement between the Harris County Hospital District and Fidelity Management Trust Company for Gloria Cervantes, Lylyyan Bradshaw, and Lou V. Gould for the 401(k) Plan.

Mr. Stephen DonCarlos was not present for this vote.

b. **Motion 06.4-4-239**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve signature authority for Schedule “E” of the trust agreement between the Harris County Hospital District and Fidelity Management Trust Company for Elizabeth Alhand, George V. Masi, and David S. Lopez for the 401(k) Plan.

Mr. Stephen DonCarlos was not present for this vote.

D. Governmental & Public Affairs Committee

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

The Governmental & Public Affairs Committee did not meet and brings directly to the Board, the following items for discussion and/or consideration for approval:

1. Discussion and Update regarding the Regional UPL Initiative in Harris and Surrounding Counties

2. Consideration of Approval of the Harris County Indigent Care Affiliation Agreement

Motion 06.4-240

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve a Harris County Indigent Care Affiliation Agreement between: (a) the Harris County Hospital District; (b) Christus Health Gulf Coast; (c) Memorial Hermann Hospital System; (d) HCA; and (e) Texas Children's Hospital to work collaboratively to improve access, availability, efficiency, delivery and funding for Indigent Care for the term two years from the effective date and shall automatically continue thereafter for additional terms of one year unless the parties agree otherwise.

Mr. Stephen DonCarlos was not present for this vote.

3. Update, Discussion and Possible Action regarding Activities in Austin relating to HCHD and Its Legislative Platform

4. Update, Discussion and Possible Action regarding Pending Federal Legislative, Line Items and Policy Issues affecting HCHD

E. Information Technology

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

Ms. Mary Spinks departed the meeting at this time.

The Information Technology Committee met April 13, 2006 and brings forth to the Board, the following informational report and an item recommended for consideration of approval:

a. Report of the Board of Managers Information Technology Committee

The following informative PowerPoint presentations were made:

1. Dr. John Riggs – Epic Care
2. Dr. Charles Trinh – Picture Archival and Communication Systems (PACs)

Informational purposes only requiring no action required.

b. **Motion 06.4-241**

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and the Education with Industry (EWI) Program with the United States Air Force for the term September 5, 2006 through June 30, 2006 at no charge to the District.

Mr. Stephen DonCarlos and Ms. Mary Spinks were not present for this vote.

VI. Miscellaneous Agenda Items

A. Motion 06.4-242

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District Foundation, acting as a supporting organization for the Harris County Hospital District, and the American Diabetes Association to help address the problem of obesity, nutrition, and exercise for the term August 1, 2005 through July 31, 2005 and acceptance of funding in the amount of \$24,000.

Mr. Stephen DonCarlos and Ms. Mary Spinks were not present for this vote.

B. Motion 06.4-243

Moved by Mr. Jackson, seconded by Mr. Franklin, 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 for 354 parking spaces at \$15 each for physician parking at Lyndon B. Johnson General Hospital in the amount of \$63,720 for the term April 21, 2006 through April 20, 2007.

Mr. Stephen DonCarlos and Ms. Mary Spinks were not present for this vote.

C. Consideration of Approval of the Real & Personal Property Insurance Expiration Date Extension

This item was pulled.

D. Motion 06.4-244

Moved by Dr. Louie, seconded by Mr. Franklin, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Baylor College of Medicine for the services of a Medical Director for the SBIRT Program grant in the amount of \$181,600 for the term October 1, 2005 through September 30, 2006.

Mr. Stephen DonCarlos and Ms. Mary Spinks were not present for this vote.

E. Motion 06.4-245

Moved by Dr. Louie, seconded by Mr. Franklin, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Baylor College of Medicine for the services of an Assistant Medical Director for

the SBIRT Program grant for the term October 1, 2005 through September 30, 2006.

Mr. Stephen DonCarlos and Ms. Mary Spinks were not present for this vote.

F. Motion 06.4-246

Moved by Ms. Truesdell, seconded by Dr. Louie, and unanimously passed, that the Board approve an amendment to a contract between the Harris County Hospital District and the Department of State Health Services for breast and cervical cancer control (BCCC) services for a mid-year funding adjustment in the amount of \$15,000 for the term July 1, 2005 through June 31, 2006.

G. Discussion and Possible Action regarding Continued Operation of Gateway to Care as a Department of the Hospital District and Transition of Certain Activities and Functions to Gateway to Care, a Separate Entity

This item was pulled.

H. Motion 06.4-209

Moved by Ms. Spinks, seconded by Dr. Louie, and unanimously passed, that the Board approve a resolution authorizing the LBJ Hospital Expansion Project (ID NO. HD-1000) decreeing the project to be a public necessity and convenience authorizing and directing the acquisition, landowner relocation assistance up to 435,000 or lesser amounts according to federal guidelines, and the payment of compensation.

This item was taken out of order.

Mr. Attwell announced that at this time the Board will consider agenda item V. A. Joint Conference Committee.

VII. Items Related to Miscellaneous Reports

These items are for information purposes only. No verbal report will be presented except at the request of the Board.

A. Report on the Status of the Patient Business Services Process Redesign Fourth Report by Phase 2 Consulting

No action required. Included in packet for information only.

B. Report related to Provider Billing Agreements with Baylor College of Medicine and University of Texas for Billing and Professional Fee Collections

No action required. Included in packet for information only.

C. Strategic Project Status on, Picture Archival and Communication System (PACS), Epic Clinical Systems, Epic Patient Management and Accounting Systems and PeopleSoft Phase III (Final Phase)

No action required. Included in packet for information only.

D. Update on Items Relating to Hurricane Katrina

No action required. Included in packet for information only.

E. Quarterly Report on Patient Satisfaction

No action required. Included in packet for information only.

F. Report on New and Revised HIPAA Policies Approved by the President/CEO

No action required. Included in packet for information only.

VIII. Executive Session

At 9:28 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 074. He stated that the regular meeting of the Board would reconvene at the close of Executive Session.

At 12:28 P.M., Mr. Attwell stated that the Board would go into Executive Session for the second time under Section 161.032 of the Texas Health & Safety Code and 551 of the Texas Government Code, Section 071 and 074. He stated that the regular meeting of the Board would reconvene at the close of Executive Session.

IX. Reconvene

At 10:43 A.M., Mr. Attwell reconvened the meeting and asked if there were further input to the Agenda.

At this time the Board considered agenda item VI. H.

At 1:00 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. Consultation with Fulbright & Jaworski L.L.P. regarding Claim for 401K Plan Benefits for Perky Dwayne Young and Possible Action Regarding this Matter upon Return to Open Session, pursuant to Tex. Gov't Code Ann. § 551.071 and Possible Action regarding this Matter Upon Return to Open Session

Motion 06.4-247

Moved by Dr. Louie, seconded by Mr. Franklin, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, authorize the filing of an interpleader action.

Mr. Stephen DonCarlos and Ms. Mary Spinks were not present for this vote.

- C. Consultation with the County Attorney regarding Cause No. 2005-23089; *Maxine Anderson v. Harris County Hospital District* – 270th Judicial District Court, pursuant to Tex. Gov't Code Ann. § 551.071 and Possible Action regarding this Matter Upon Return to Open Session

Motion 06.4-248

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, approve and hereby authorize the settlement of *Maxine Anderson v. HCHD* (Cause No. 2005-23089) payment of an amount not to exceed \$35,000 as compensation, and that David S. Lopez, President and CEO, be authorized to execute settlement documents on behalf of the Harris County Hospital District. This resolution supersedes any previous resolutions regarding this matter.

- D. Consultation with the County Attorney regarding Cause 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 06.4-249

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, approve and hereby authorize the settlement of *Linda Smith v. HCHD* (Cause No. 2005-20246) by accepting her voluntary resignation and retirement from employment effective August 30, 2006, and payment of an additional amount not to exceed \$45,000 as compensation for mental anguish, and that David S. Lopez, President and CEO, be authorized to execute settlement documents on behalf of the Harris County Hospital District. This resolution supersedes any previous resolutions regarding this matter.

- E. Consultation with the County Attorney regarding Amendment of Article 2.08 of Harris County Hospital District Pension Plan, pursuant to Tex. Gov't Code Ann. § 551.071 and Possible Action regarding this Matter Upon Return to Open Session

Motion 06.4-250

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, approve and hereby authorize the amendment of Article 2.08 of the Harris County Hospital District Pension Plan by adding a final sentence (printed in underlined typed in this resolution) so that as amended Article 2.08 shall read as follows:

2.08 *Service Credit for Short Unpaid Leaves of Absence.* Notwithstanding any other provisions of the Plan to the contrary, if a Member returns to active employment

with the District within twelve months of the first day of an unpaid leave of absence from the District, the Member shall be credited with Credited Service for the entire period of the unpaid leave of absence. A Member employed by the District before September 1, 1986 who accepts early retirement with an effective separation date on or before September 1, 2006, shall be credited with Credited Service for the entire period of any unpaid leave of absence which does not exceed 48 months.

David S. Lopez, President and CEO, is authorized to execute documents certifying this amendment on behalf of the Harris County Hospital District. This resolution supersedes any previous resolutions regarding this matter.

- F. Consultation with the County Attorney regarding the Settlement of a Healthcare Liability Claim of Jhneece Wallace, A Minor, by Next Friend, Neekeshia Bell, pursuant to Tex. Gov't Code Ann. § 551.071 and Possible Action regarding this Matter Upon Return to Open Session

No action taken.

- G. 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.

- H. 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, pursuant to Tex. Gov't Code Ann. § 551.071 and § 551.074 and Possible Action regarding this Matter Upon Return to Open Session

Motion 06.4-251

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board approve an employment agreement with the Glen R. Johnson, M.D., 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.

Prior to adjournment Mr. Attwell put into the record the following expressed statement: "that the Board directs the Chief Executive and his staff to do a complete investigation of the allegations that were made by Ms. Robin Curtis at the outset of this meeting and based upon that investigation and in consultation with our attorneys to come up with a recommended course of action for this Board to follow".

X. 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 1:17 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 April 27, 2006.

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

Carolyn Truesdell, Secretary

Recorded by Anne McCowan