



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

Thursday, June 29, 2006

Board Room – Administration Building

BOARD MEMBERS PRESENT

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
Mr. E. Dale Wortham

BOARD MEMBERS ABSENT

Mr. J. Evans Attwell, Chair
Ms. Mary Spinks

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. George Masi, COO
Mr. Kelly Johnson, Harris County Purchasing
Attorney Bernardo Garcia, County Attorney's Office
Attorney Glen Van Slyke, 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. Stephen DonCarlos, Vice Chair, called the meeting to order at 9:04 A.M. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meeting

Motion 06.6-323

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve the minutes of the May 25, 2006 regular meeting of the Board of Managers and the June 14, 2006 called meeting of the Board of Managers.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

Mr. DonCarlos announced that, at this time agenda item V.B. 2. "Discussion and Approval of Recommendation of Community Health Choice, Inc.'s Board of Directors Capital Repayment of \$4.0 Million to the Harris County Hospital District" will be taken out of order.

III. Hear from Citizens

Ms. Fadine Roquemore, Chairperson, Martin Luther King Council addressed the Board regarding the following: (a) Invitation to the Martin Luther King Council's annual meeting to be held August 1, 2006 at 3:00 P.M. in the cafeteria of the Quentin Mease Hospital; (b) Consideration of providing each clinic with one additional physician; (c) Saturday usage of physicians (she believes they are under utilized); and (d) Identify for the clinics, the individual who will be appointed to replace Ms. Alicia Reyes relative to her role with the clinics.

Mr. Garrett Coleman, Pro Tech Access regarding an award for construction services for the Ben Taub General Hospital parking garage improvement project. He informed the Board that his company is one of the sub-contract companies that have made a bid to the General Contractor for this project.

IV. Purchasing

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

The Fiscal Affairs Committee met on June 26, 2006 and brings to the Board the following recommendations for consideration for approval:

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

a. **Motion 06.6-325**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve rescission of an award to GE Medical Systems Information Technologies, Inc. for nine (9) electrocardiology systems for the Hospital District.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

b. **Motion 06.6-326**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve a purchase on the basis of lowest priced contract of pneumatic compression devices from Huntleigh Healthcare Inc. for an estimated amount of \$481,181 for the term June 1, 2006 through May 31, 2007.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

c. **Motion 06.6-327**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve a CISV purchase on the basis of low bid of storage expansion upgrade for the UNIX systems from Mark III Systems for the amount of \$497,385.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

d. **Motion 06.6-328**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve an award on the basis of best overall contract to EXP Pharmaceutical Services Corp. in the estimated amount of \$102,083 for reverse drug distribution for the term July 1, 2006 through January 31, 2007. (This is a fee-based, revenue-producing contract, based on the return of expired drugs to the manufacturer.)

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

e. **Motion 06.6-329**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve an award on the basis of best bid to Medical Transcription Corp. in the estimated amount of \$220,000 for medical transcription services for the term upon execution of agreement with four (4) one-year renewal options.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

f. **Motion 06.6-330**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve an award on the basis of best bid to Greater Houston Transportation Company dba Yellow Cab in the estimated amount of \$60,000 for transportation services for patients and packages for the term July 1, 2006 through June 30, 2007 with two (2) one-year renewal options.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

g. **Motion 06.6-331**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve funding for the fourth and final year of an agreement with JP Morgan Chase fka Bank One, N.A. - \$9,000 (estimated) for the term July 9, 2006 through February 9, 2007 and Bank of America, N.A. - \$78,000 (estimated) for the term July 17, 2006 through February 9, 2007 for the total estimated amount of \$87,000 to provide general banking and investment services for the Hospital District.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

h. **Motion 06.6-332**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve funding for the third and final year of an agreement with Medline Industries, Inc. in the estimated amount of \$117,396 to continue to provide operating room basins, suture removal trays and laceration trays for the term June 1, 2006 through May 31, 2007.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

i. **Motion 06.6-333**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve funding for year three (3) of a three (3) year agreement for Storage Technology Corporation in the amount of \$133,556 for hardware and software maintenance and support for the virtual tape system for the term September 1, 2006 through August 31, 2007.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

j. **Motion 06.6-334**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve funding for year three (3) of a five (5) year agreement for International Business Machines Corporation in the amount of \$107,617 for IBM Enterprise Software maintenance agreement for the term February 15, 2006 through February 14, 2007.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

k. **Motion 06.6-335**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve additional funds and an extension for Bayer

Corporation Diagnostics Division in the additional amount of \$33,250 for premier healthpak reagent rental agreement (blood gas) for the extended term of June 29, 2006 through September 30, 2006. (The Board previously approved \$120,910 for the term June 29, 2005 through June 28, 2006; these additional funds bring the total funded amount to \$154,160.)

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

l. **Motion 06.6-336**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve additional funds and an extension for Todd Halpin, M.B.A., C.P.A. through Phase 2 Consulting in the estimated additional amount of \$82,000 for consulting services for eligibility and revenue cycle process improvements for the term August 1, 2006 through September 30, 2006. (The Board previously approved \$679,542 for the term January 1, 2006 through July 31, 2006; these additional funds bring the total funded amount to \$761,542.)

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

m. **Motion 06.6-337**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve the first and final renewal option for S/T Health Group Consulting, Inc. in the estimated amount of \$150,000 for pharmaceutical price verification services for the term September 1, 2006 through August 31, 2007.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

n. **Motion 06.6-338**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve the first of four (4) renewal options for Iron Mountain in the estimated amount of \$140,673 for off-site storage and maintenance of financial and assorted business records and retrieval services for the term August 1, 2006 through July 31, 2007.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

o. **Motion 06.6-339**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve the third of four (4) renewal options for John W. Riggs, M.D. (Physician Advisor) through the University of Texas Health

Science Center at Houston in the amount of \$179,092 to provide physician advisory consulting services associated with the information technology foundation project for the term September 1, 2006 through August 31, 2007.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

p. **Motion 06.6-340**

Moved by Mr. Jackson, seconded by Dr. Louie, and unanimously passed, that the Board approve the fifth and final year of a five (5) year term for SteriMed, Inc. (PP-OR-041) in the estimated amount of \$187,500 to provide sterile reprocessing for various items used throughout the Hospital District for the term July 1, 2006 through June 30, 2007.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

A(2). Transmittal of Completed Purchases Under \$100,000

(For Informational Purposes Only requiring no action.)

a. Job 06/0154: De-Installations and Removal of X-Ray Film Processors and Motorized View Boxes

Transmittal of an award on the basis of low bid to Rad Mart X-ray in the estimated amount of \$5,450 to de-install and remove x-ray film processors, daylight loaders and motorized view boxes.

b. Premier Contract PP-NS-216: Transparent Dressings

Transmittal of an award on the basis of best overall contract to Smith & Nephew, Inc. in the estimated amount of \$44,508 to provide transparent dressings for the term June 1, 2006 through May 31, 2007.

c. Premier Contract PP-NS-328: Disposable Labor and Delivery Supplies

Transmittal of an award on the basis of best overall contract to Tyco Healthcare Group LP The Kendall Co. in the estimated amount of \$34,465 to provide disposable labor and delivery products for the term June 1, 2006 through May 31, 2007.

d. Premier Contracts PP-NS-330 & PP-NS-331: OB Monitoring Devices

Transmittal of an award on the basis of best overall contracts to Clinical Innovations Inc. in the estimated amount of \$80,038 and Tyco Healthcare Group LP The Kendall Co. in the estimated amount of \$15,120 for a combined estimated amount of \$95,158 to provide obstetric monitoring devices for the term June 1, 2006 through May 31, 2007.

- e. Job 02/0277; Preventive Maintenance, Inspection and Repair of Emergency Generators

Transmittal of the fourth renewal option with Stewart & Stevenson in the amount of \$56,147 for preventive maintenance, inspection and repair of emergency generators for the Harris County Hospital District for the term September 1, 2006 through August 31, 2007.

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

Transmittal of the fourth and final renewal option for James LaCombe Productions in the estimated amount of \$36,000 for still photography and video production services for the term September 1, 2006 through August 31, 2007.

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

Transmittal of purchases for categories of goods and/or services for:

- (1) Sole Source: (a) Texas Department of Licensing & Regulation in the amount of \$25,253 for renewal of Hospital License for Ben Taub General Hospital and Quentin Mease Community Hospital and (b) Q-Matic Corporation in the amount of \$30,293 for Q-Matic extended warranty;
- (2) CISV: Set Solutions, Inc. in the amount of \$64,962 for SurfControl yearly maintenance renewal;
- (3) Premier/Sole Source: Spacelabs Medical, Inc. in the amount of \$41,281 for deposit for 6-month telemetry equipment clinical trial;
- (4) Premier Standardized: Medtronic Emergency Response System in the amount of \$83,574 for Lifepak 20 defibrillators/monitors

V. Reports of the Committees

A. Joint Conference Committee

The Joint Conference Committee met June 14, 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

Presented as information only, requiring no action.

2. **Motion 06.6-341**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a Cord Blood Bank Collection agreement between the Harris County Hospital District, the University of Texas M.D. Anderson Cancer Center and Baylor College of Medicine effective as of July 1, 2006 for a period of one (1) year. Unless earlier terminated, this agreement shall be renewed for two (2) successive one-year terms subject to any amendments.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

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

1. **Motion 06.6-342**

Moved by Mr. DonCarlos, seconded by Mr. Jackson, and unanimously passed, that the Board approve the credentialing changes for members of the HCHD Medical Staff for June 2006 as recommended by the Medical Board.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

2. **Motion 06.6-343**

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

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

The following items were withdrawn at the May 25, 2006 Board meeting and are now resubmitted for the Board's consideration:

Mr. Jim Lemond joined the meeting at this time.

1. **Motion 06.6-344**

Moved by Jim Lemond, seconded by Mr. Jackson, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and MD Anderson Cancer Center (MDACC) to provide faculty staffing at LBJ Hospital for our cancer program at no cost to the Hospital District effective upon execution of the contract and will renew annually until terminated by either party.

Mr. Elvin Franklin, Jr. was not present when this vote was taken.

2. **Motion 06.6-345**

Moved by Mr. Lemond, seconded by Mr. Jackson, and unanimously passed, that the Board approve a Memorandum of Understanding for a collaborative oncology program between the Harris County Hospital District and MD Anderson Cancer Center (MDACC) at no cost to the Hospital District.

Mr. Elvin Franklin, Jr. was not present when this vote was taken.

Mr. DonCarlos announced that, at this time the Board will go into Executive Session.

B. Fiscal Affairs Committee

The Fiscal Affairs agenda items were taken out of order following Executive Session.

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

The Fiscal Affairs Committee met June 26, 2006 and brings to the Board the following recommendations for consideration for approval:

1. Consideration of Approval of the Harris County Hospital District's FY 2006 Financial Audit

Mr. Troy Manchac, Ernst & Young presented the HCHD FY 2006 Financial Audit. Highlights of the audit included:

1. The principal areas of audit emphasis were as follows:

- Revenues, revenue deductions, and related accounts receivable valuation allowances, including effects of ongoing investigation;
- Third-party reimbursement settlement estimates;
- Disproportionate Share (DSH) and Upper Payment Limit (UPL) revenues;
- Ad valorem tax revenue recognition;
- HMO incurred but not reported (IBNR) liabilities;
- Self-insurance reserves, including employee health claims, workers' compensation, and professional and general liabilities;
- Cash, investments, assets limited as to use, and related income and GASB 40 disclosures; and
- Compliance with bond covenants

2. Ernst & Young issued an unqualified opinion on the District's financial statements for the year ended February 28, 2006.

3. Ernst & Young held discussions with management addressing the accounting treatment and alternatives in the following areas:

- Reevaluation of consolidation of Harris County Hospital District Foundation
- Estimations of deductions from revenue by specific category

4. Ernst & Young noted that initiatives are underway that will improve the process of developing significant estimates included in the District's financial statements.

5. No audit adjustments were recorded.

6. Identified \$783,000 under accrual of accounts payable and operating expenses at February 28, 2006, that management has determined to be immaterial.
7. Recommend management enhance its coordination of data collection, the timeliness of report issuance, and review of actuarial results to ensure appropriate estimates and timely recognition of expenses within the District's financial statements.

Motion 06.6-349

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board accept the Ernst & Young audit of the Combined Financial Statements for the fiscal year ended February 28, 2006 as included in the packet.

2. **Motion 06.6-350**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board accept the Ernst & Young audits of the District's Pension and 401(k) Plans for the calendar year ended December 31, 2005 as included in the packet.

3. **Motion 06.6-351**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board accept the Ernst & Young audit of the Federal & State Grant Programs for the fiscal year ended February 28, 2006 as included in the packet.

4. Update on the Harris County Hospital District's Statistical Trends

Ms. Nancy Brock reviewed the HCHD Yearly Statistical Trends included in the packet. Discussion ensued.

Informational purposes only, requiring no action.

5. Financial Report

Ms. Gwen Huskey presented the May 2006 Financial Report. Much discussion ensued. Highlights included:

- For the month of May, the District reported a profit of \$9.45 million.
- May's admissions were 10.5% greater than those experienced during the same period in fiscal 2006, and 9.8% above the level budgeted for the month.
- May's admissions were 10.5% greater than those experienced during the same period in fiscal 2006, and 9.8% above the level budgeted for the month.
- The District reported 13,972 emergency visits.

- Clinic visits of 78,426 throughout the District were 3.8% greater than last year and 1.2% more than budgeted.

Motion 06.6-352

Moved by Ms. Truesdell, seconded by Dr. Louie, and unanimously passed, that the Board accept the May 31, 2006 Financial Report subject to final audit.

6. **Motion 06.6-353**

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

7. **Motion 06.6-354**

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board accept the First Quarter Investment Report for the period ended May 31, 2006.

8. **Motion 06.6-355**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve Utilization of the Commercial Paper Program to Fund (1) Award of Construction Services Agreement with 3D/International, Inc. for the Ben Taub General Hospital CT/Urgent Care Renovation Project based on best bid of \$1,367,777 and that a \$164,000 (12% of Bid) owner's contingency allowance be established for this project and (2) Architectural and Engineering Services Agreement with Browne Penland McGregor Stephens, Architects, Inc. for the New LBJ Emergency Center Project for a fee not to exceed \$1,500,000 until such time as the permanent financing has been determined.

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

1. **Motion 06.6-356**

Moved by Mr. Lemond, seconded by Mr. Jackson, and unanimously passed, that the Board approve Ernst & Young 2005 audited financial statements of Community Health Choice as included in the packet.

2. Discussion and Approval of Recommendation of Community Health Choice, Inc.'s Board of Directors Capital Repayment of \$4.0 Million to the Harris County Hospital District

Mr. Charles Moore, Chairman Community Health Choice, Inc. presented a check for \$4 million to the Hospital District. On behalf of the Board, Mr. DonCarlos thanked Community Health Choice, Inc.'s Board, Dr. Glen R.

Johnson, President/CEO and Staff for their stewardship and wonderful job they are doing with the Community Health Choice program.

Motion 06.6-324

Moved by Ms. Truesdell, seconded by Dr. Louie, and unanimously passed, that the Board approve a recommendation by Community Health Choice, Inc. to make a repayment to the Harris County Hospital District in the amount of \$4.0 million.

Mr. Elvin Franklin, Jr. and Mr. Jim Lemond were not present when this vote was taken.

Mr. DonCarlos announced that the meeting will return to the order of the agenda beginning with item III. Hear from Citizens.

3. Presentation of the May 2006 Financial Statements of Community Health Choice, Inc.

Informational purposes only, requiring no action.

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

C. Clinic Committee

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

Report on the Overview of the Reengineering Process at the Community Health Centers

There was not a report given.

Mr. DonCarlos called on Mr. E. Dale Wortham to present agenda items related to Personnel Committee.

D. Personnel Committee

The Personnel Committee met June 12, 2006 and brings forth to the Board the following recommendations for approval:

1. **Items Related to HCHD Pension Plan**

Motion 06.6-357

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the appointment of Carla Nelson, Benefits Manager to the Harris County Hospital District Pension & Disability Committee.

2. Items Related to HCHD 401(k) Plan

a. Motion 06.6-358

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board approve modifying Section 6.01(b) of the Harris County Hospital District 401(k) Plan Document (“Plan”) related to financial hardship distributions to be consistent with the new Department of Treasury regulations.

b. Motion 06.6-359

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve delegation of the oversight for the Harris County Hospital District Deferred Compensation Program (457(b)), Governmental Plan to the Harris County Hospital District’s 401(k) committee.

c. Motion 06.6-360

Moved by Mr. Wortham, seconded by Mr. Franklin, and unanimously passed, that the Board approve replacing the Magellan Fund with the Legg Mason, a large cap core mutual fund, for the Harris County Hospital District 401(k) plan.

d. Motion 06.6-361

Moved by Dr. Louie, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the appointment of Carla Nelson, Benefits Manager to the Harris County Hospital District 401(k) Committee.

e. Motion 06.6-362

Moved by Dr. Louie, seconded by Ms. Truesdell, and unanimously passed, that the Board approve additional signature authority to Carla Nelson, Benefits Manager (her assign or successor) for Schedule “D” of the trust agreement between the Harris County Hospital District and Fidelity Management Trust Company for the Harris County Hospital District 401(k) plan.

3. Items Related to Agreement Ratifications

a. Motion 06.6-363

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify an Agreement between the Harris County Hospital District and the University of Texas Medical Branch to continue participation in the United States Department of Labor H-1B Technical Skills Training Program for acceptance of \$210,000 in grant funds.

b. Motion 06.6-364

Moved by Mr. Franklin, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Houston Works USA for the Non-Financial Internship Agreement to change the term to June 1, 2006 through May 31, 2007 at Houston Works USA's request.

Mr. Jim Lemond requested that an item regarding the "Status of the Request for a Proposal (RFP) for Third Party Administration Services for the HCHD Employee Health and Benefit Plan" be included on the agenda for July 27, 2006 Board meeting.

E. Governmental & Public Affairs Committee

Mr. DonCarlos called on Ms. Carolyn Truesdell to present agenda items related to the Governmental & Public Affairs Committee. Ms. Truesdell informed the Board that Mr. King Hillier and Ms. Mary Schneider have departed for Austin and are not available to present. She then, gave the following brief report:

Mr. King Hillier and Ms. Mary Schneider are working very, very hard. That we are proceeding on our earmark request and they are getting lots of support from our Texas delegation on items related to Medicaid. Ms. Truesdell commended Mr. Hillier and Ms. Schneider stating that, "They seem to be working just as hard as they can and I think, as successfully as can be under the circumstances".

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. Update, Discussion and Possible Action regarding Activities in Austin relating to HCHD and Its Legislative Platform.
2. Discussion, Update and Possible Action regarding the Regional UPL Initiative in Harris and Surrounding Counties
3. Update, Discussion and Possible Action regarding Pending Federal Legislative, Line Items and Policy Issues Affecting HCHD

F. Buildings & Properties Committee

Mr. DonCarlos called on Mr. Danny Jackson who called on Mr. Lawrence Bell to present agenda items related to Building & Properties

The Buildings and Properties Committee met June 16, 2006 and brings forth to the Board the following items for consideration for approval:

1. Motion 06.6-365

Moved by Dr. Louie, seconded by Mr. Lemond, and unanimously passed, that the Board award the Ben Taub General Hospital CT/Urgent Care

Renovation Project for construction services, to 3D/International, Inc., based on their best bid of \$1,367,777 and that, a \$164,000 (12% of bid) owner's contingency allowance be established for this project.

2. **Motion 06.6-366**

Moved by Dr. Louie, seconded by Mr. Lemond, and unanimously passed, that the Board award the Ben Taub General Hospital Parking Garage Improvement Project for construction services, to Structural Concrete Systems, LLC., based on their best bid of \$1,199,990 and their \$600,000 best bid for add alternate 1. Additionally, it is recommended that a \$60,000 (5% of base bid) owner's contingency allowance be established for this project.

3. **Motion 06.6-367**

Moved by Dr. Louie, seconded by Mr. Lemond, and unanimously passed, that the Board authorize the Hospital District to enter into Lease Option 3 with Houston Small Business Development Corporation, for the leasing of approximately 11,000 square feet of space for the Dental Center. Lease Option 3 is for the period of August 1, 2006 through July 31, 2007. The monthly lease rate will be \$11,000 and the Common Area Maintenance (CAM) fee will be \$1870 for a total monthly lease rate of \$12,870.00.

4. **Motion 06.6-368**

Moved by Dr. Louie, seconded by Mr. Lemond, and unanimously passed, that the Board authorize the Hospital District to enter into Lease Option 3 with Dr. Haram S. Azard and Mr. Manohar S. Mann of ComRealty, for the leasing of approximately 9,725 square feet of space for the South Loop Eligibility Center. Lease Option 3 is for the period August 1, 2006 through July 31, 2007 for a monthly lease rate of \$9,046.12.

5. **Motion 06.6-369**

Moved by Dr. Louie, seconded by Mr. Lemond, and unanimously passed, that the Board authorize the Hospital District to enter into an Architectural/Engineering agreement, developed and approved by the County Attorney's Office, with Browne Penland McGregor Stephens Architects, Inc. for the New LBJ Emergency Center Project, for a fee not to exceed \$1,500,000. Additionally, it is recommended that this agreement be referred to the Fiscal Affairs Committee for a funding source.

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

Motion 06.6-370

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board ratify the expenditures made to A-Rocket Moving and Storage,

Inc. in the amounts of (1) Storage of furniture and records - \$57,057.64 and (2) Dismantling and relocation of furniture - \$35,888.50. Additionally, it is recommended that the Board approve the payment of services provided by A-Rocket Moving and Storage, Inc. through the month of August 2006 in an amount not to exceed \$30,000.

VI. Miscellaneous Agenda Items

Ms. Ottley Sims presented agenda item A.

A. Motion 06.6-371

Moved by Mr. Jackson, seconded by Mr. Lemond, and unanimously passed, that the Board ratify an amendment to an agreement between the Harris County Hospital District and the Harris County Hospital District Foundation regarding the HCHD Foundation's Participation in the Premier Group Purchasing Program on behalf of the Hospital District.

Ms. Beth Cloyd presented agenda items B., C., and D.

B. Motion 06.6-372

Moved by Mr. Jackson, seconded by Mr. Lemond, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and the Council on Alcohol and Drugs-Houston for the provision of mental health, behavioral health, alcohol and drug abuse services at Harris County Hospital District Community Health Clinics.

C. Motion 06.6-373

Moved by Mr. Wortham, seconded by Mr. Jackson, and passed, that the Board approve an agreement between the Harris County Hospital District and Methodist Hospital for the provision of hospital services not provided at the Hospital District effective July 1, 2006 for an initial term of one year, and may be renewed by the parties by a mutually executed written amendment to this agreement for an amount not to exceed \$75,000.

The above motion passed with the following vote:

Mr. Stephen DonCarlos, Dr. Daniel Louie, Mr. Elvin Franklin, Jr.,
Mr. Danny Jackson, Mr. Jim Lemond, and Mr. E. Dale Wortham, each
voted yea with Ms. Carolyn Truesdell abstaining.

D. Motion 06.6-374

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Baylor College of Medicine for a Medical Director of Psychiatry for the DMIE Program at no cost to the Hospital District in an amount not to exceed \$25,218 subject to the limitation and availability of grant funds for the term February 1, 2006 through August 31, 2006.

Mr. Robert Scholz presented by agenda items E. through L.

E. **Motion 06.6-375**

Moved by Mr. Lemond, seconded by Mr. Jackson, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and the Department of State Health Services for the Maternal and Child Health Title V Grant Program for the provision of prenatal, preventive and primary child health services for children and adolescents for the amount of \$397,017 for the term September 1, 2006 through August 31, 2007.

F. **Motion 06.6-376**

Moved by Mr. Lemond, seconded by Mr. Jackson, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and Baylor College of Medicine for the Maternal and Child Health Title V Grant Program Medical Supervision for ultrasound services for the amount of \$100,000 for the term September 1, 2006 through August 31, 2007.

G. **Motion 06.6-377**

Moved by Mr. Lemond, seconded by Mr. Jackson, and unanimously passed, that the Board accept an award of \$55,500 granted by the Department of State Health Services for Breast and Cervical Cancer Control Services for the term July 1, 2006 through June 30, 2007.

H. **Motion 06.6-378**

Moved by Mr. Lemond, seconded by Mr. Jackson, and unanimously passed, that the Board approve a Clinical Research Grant Agreement between the Harris County Hospital District and Amgen Inc. The agreement is effective as of April 17, 2006 and is expected to last for one year in the funding amount of \$40,000.

I. **Motion 06.6-379**

Moved by Mr. Lemond, seconded by Mr. Jackson, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and Genentech, Inc. to participate in the Genentech Patient Pharmaceutical Assistance Program at no cost to the District for the term July 1, 2006 through June 30, 2007.

J. **Motion 06.6-380**

Moved by Mr. Lemond, seconded by Mr. Jackson, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and MGI Pharma, Inc. to participate in the MGI Pharma, Inc. Patient Pharmaceutical Assistance Program for the period July 1, 2006 through June 30, 2007.

K. Motion 06.6-381

Moved by Mr. Lemond, seconded by Mr. Jackson, and unanimously passed, that the Board ratify and approve renewal of an affiliation agreement between the Harris County Hospital District and Texas Southern University to provide experiential and didactic training for pharmacy students.

L. Motion 06.6-382

Moved by Mr. Lemond, seconded by Mr. Jackson, and unanimously passed, that the Board approve agreements between the Harris County Hospital District on behalf of Ben Taub General Hospital, Lyndon Baines Johnson General Hospital, and Quentin Mease Community Hospital and the Southeast Texas Trauma Regional Advisory Council for receipt of Federal U.S. Health and Human Services, Health Resources and Services Administration for the term July 1, 2006 through August 31, 2007.

VII. Executive Session

Mr. Elvin Franklin, Jr. joined the meeting at this time.

At 9:39 A.M., Mr. DonCarlos stated that the Board would go into Executive Session under Section 161.032 of the Texas Health & Safety Code, Chapter 551 of the Texas Government Code and Section 071 and 074. He stated that the regular meeting of the Board would reconvene at the close of Executive Session.

VIII. Reconvene

At 11:30 A.M., Mr. DonCarlos 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.

Consultation with the County Attorney regarding Cause No. 817,712; County Civil Court at Law #4; *Harris County Hospital District v. Pillard* (LBJ Expansion Project: Tracts 58, 59, and 60), pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

B. Motion 06.6-346

Moved by Dr. Louie, seconded by Mr. Franklin, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, resolve that the Harris County Hospital District shall pay to Hilton Pillard and Brenda Pillard the sum of \$144,000.00 (which sum is in addition to the \$506,000.00 previously deposited and withdrawn), plus prejudgment interest in the amount of \$17,958.24 (8% from November 9, 2004 through June 1, 2006),

plus postjudgment interest of 8% annually starting on the date the judgment is signed. In addition, the Harris County Hospital District shall pay Defendant's court costs.

All Harris County Hospital District officials and employees are authorized to do any and all things necessary or convenient to accomplish the purpose of this Resolution.

- C. Consultation with the County Attorney regarding the Status of Litigation involving the Harris County Hospital District vs. Textac Partners I, et al., pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

Motion 06.6-347

Moved by Mr. Franklin, seconded by Dr. Louie, and unanimously passed, that the Board authorize the County Attorneys to continue the negotiations of a settlement with the County Attorneys.

- D. Consultation with the County Attorney regarding Cause No. 03-60995-4; *Lorena Salinas v. HCHD* – CC at Law #4, Nueces County Texas, pursuant to Tex. Gov't Code Ann. §551.071 and Settlement of Claims Regarding this Matter Upon Return to Open Session

Motion 06.6-348

Moved by Ms. Truesdell, seconded by Mr. Lemond, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, hereby ratifies the settlement of *Lorena Salinas, et al v. Harris County Hospital District* (Cause No. 03-60995-4), by accepting payment in the amount of \$14,500.00, and ratifies the execution of the settlement agreement by David S. Lopez, President and CEO.

- E. Consultation with the County Attorney regarding Response and Audit of Documents subpoenaed by Department of Health and Human Services Offices of Inspector General, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

No action taken.

- F. Discussion of Reinstatements of Barbara Wigrys and Lisa Guillory pursuant to Tex. Gov't Code Ann. §551.074, and Possible Action regarding this Matter Upon Return to Open Session

Motion 06.6-349

Moved by Mr. Wortham, seconded by Dr. Louie, and unanimously passed, that the Board directs the CEO of Community Health Choice, Inc. to immediately comply with the findings of the Grievance Committee in the grievance of Lisa Guillory and Barbara Wigrys.

Mr. DonCarlos announced that, at this time the Board will return to agenda item V. B. Fiscal Affairs.

IX. Adjournment

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

There being no further business, the meeting adjourned at 12:01 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 June 29, 2006.

Stephen H. DonCarlos, Vice Chair
Board of Managers
Harris County Hospital District
Houston, Texas

Carolyn Truesdell, Secretary

Recorded by Anne McCowan