



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

Thursday, October 25, 2007

Board Room – Administration Building

BOARD MEMBERS PRESENT

Ms. Carolyn Truesdell, Secretary
Mr. E. Dale Wortham, Asst. Secretary
Mr. Elvin Franklin, Jr.
Mr. Danny Jackson
Ms. Mary Spinks
Ms. Daisy Stiner

BOARD MEMBERS ABSENT

Mr. J. Evans Attwell, Chair
Mr. Stephen DonCarlos, Vice Chair
Mr. Michael Jhin

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. George Masi, COO
Mr. Kelly Johnson, Harris County Purchasing
Ms. Vivian Groce, Harris County Purchasing
Attorney Mercedes Leal, County Attorney's Office
Ms. Elizabeth Neal, Commissioner Jerry Eversole's Office
Ms. Gloria Moreno, Commissioner Sylvia Garcia's Office
Ms. Peggy Boice, Judge Ed Emmett's Office
Mr. Mark Fury, Commissioner Steve Radack's Office
Administrative Staff
Guests
Media

(Sign-in Sheets attached to permanent record)

I. Call to Order and Record of Attendance

Ms. Carolyn Truesdell, Acting 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 07.10-497

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve the minutes of the September 27, 2007 regular meeting of the Board of Managers with the correction noted by Mr. Franklin to reflect the following change: Board Motion# 07.9-475, "that the Board authorize the Hospital District to enter into a

“Personal” Services Agreement with Babendure Wheat Creative, Inc. for all graphic design services associated with the Hospital District-wide Signage and Wayfinding to the public corridors of LBJ and Ben Taub General Hospitals for a fixed fee of \$102,410 plus reimbursable expenses in an amount not to exceed \$7,160. Approval is contingent upon execution of an agreement prepared by the County Attorney’s office”.

III. Recognition and Presentation Expressing Gratitude to Previous Board Members

This item was postponed.

IV. Hear from Citizens

Dr. Katherine King-Casas, Doctors for Change addressed the Board regarding the improvement in the wait time for imaging. On behalf of Doctors for Change, she thanked the District for the marked improvement in this service and extended appreciation to Dr. Cleveland Black for his assistance to them on this project. Dr. King-Casas reported that Doctors for Change continues to support the permanent expansion of services the District has planned for the next few years.

Dr. Claire Bocchini, Doctors for Change addressed the Board regarding the automatic submission of immunization information from EpicWeb to one of the two immunization registries. She noted that the platform for the automatic submission is still not up and running. Dr. Bocchini informed the Board that the inability to perform this automatic submission greatly impacts the effectiveness in assuring that as many patients in Harris County are adequately immunized as possible and reduces redundant vaccination.

V. Items Related to Resolutions

A. Resolution consenting to a Tax Exempt Loan by the Texas Gulf Coast Health Facilities Development Corporation to Finance the Cost of Health Facilities for Montrose Counseling Center Permanent Endowment, Inc.

Motion 07.10-498

Moved by Mr. Wortham, seconded by Mr. Franklin, and unanimously passed, that the Board approve a Resolution Consenting to A Tax Exempt Loan by the Texas Gulf Coast Health Facilities Development Corporation to Finance the Cost of Health Facilities for Montrose Counseling Center Permanent Endowment, Inc.

B. Resolution Memorializing the Contributions of Mr. Don Horn, Original Member of the Harris County Hospital District Board

This agenda item was deferred until the December 2007 Board meeting.

C. Resolution Commending Mr. Edwin Harrison for His Stellar Contribution to The Harris County Hospital District in Conjunction with the 2007 Bond Refinancing and Financing

The Board presented Mr. Edwin Harrison a resolution commending him for his help with the District's recent bond sale.

D. Resolution Recognizing and Commending the Membership and Staff, including Executive Director Donald Lee, of the Texas Conference of Urban Counties

The Board presented Mr. Donald Lee a resolution recognizing and commending him, the Membership and Staff of the Texas Conference of Urban Counties for their invaluable support and assistance to the Harris County Hospital District in its efforts to protect local tax dollars dedicated to providing critical health care services to the indigent, uninsured and underinsured that live and work in Harris County.

VI. President/Chief Executive Officer's Report to include discussion and updates regarding: Regional UPL Status Report, Diversity in Our System, Balanced Scorecard and Prescription Cards

Mr. Lopez introduced Ms. Barbara Reece, Chief Nursing Officer at LBJ Hospital, informing the Board that she was recognized and given an award for leading and advancing the profession of nursing. The Board thanked Ms. Reece for her contributions to the District.

Mr. David Lopez gave a presentation on the following topics: Regional UPL status, diversity in our system, Balanced Scorecard and prescription cards. Highlights include:

- Additional documentation has been requested and is currently being reviewed by the Dallas CMS office and all UPL payments have been deferred for 60 days or until that review process is complete.
- Based on 2005 census, the Harris County population consists of 18% African American, 38% Caucasian, 1% American Indian, 37% Hispanic, 5% Asian and 1% other.
- As of FY2007, the HCHD Patient Race Demographics include: 32% African American, 48% Hispanic, 15% Caucasian, 4% Asian and 1% other.
- The HCHD employees, based on FY2007 information, include: 48% African American, 19% Hispanic, 13% Caucasian, 19% Asian and 1% other.
- The HCHD created an RFP to create a program that would allow the outer County and Full Pay patients to purchase their prescriptions at any pharmacy outside of Harris County.
- A Form of Balanced Scorecard was created and presented to the Board that monitors the services and daily operations of the Hospital District in accordance to the HCHD benchmark.

VII. Items Related to Purchasing

Ms. Truesdell called on Mr. Danny Jackson to present items related to purchasing. Mr. Jackson announced that agenda item A.1.e. has been pulled and that the correct

amount for agenda item A.1.j is \$493,188. Mr. Kelly Johnson, County Purchasing clarified that relative to agenda item A.1.e., only one vendor: Sisters of Grace Health Services, Inc. has been pulled.

A(1). Consideration of Purchasing Recommendations Requiring Board Approval:

a. **Motion 07.10-499**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of best proposal meeting requirements to Gowan, Inc. Primary Vendor in the amount of \$562,000 and T.D. Industries – Secondary Vendor in the amount of \$634,900 for HVAC Equipment Maintenance Services for the term one year upon execution of agreement with four one-year renewal options subject to execution of the agreement.

b. **Motion 07.10-500**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of best proposal to Fresenius USA Marketing, Inc. in the amount of \$392,500 to provide dialysis equipment for the Hospital District Riverside Dialysis Clinic subject to execution of the agreement.

c. **Motion 07.10-501**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of best proposal meeting requirements to MC AnalyTXs, Inc. in the amount of \$150,000 for claims payment analysis tool/service for the term of one year upon execution of an agreement with four one-year renewal options.

d. **Motion 07.10-502**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of best proposal meeting requirements to TriSurant in the estimated amount of \$3,218,875 for workers' compensation third party administration and associated services for the term January 1, 2008 through December 31, 2010 with two one-year renewal options subject to execution of the agreement. (Administration fee – 3 year term - \$218,875 and Claims Payment Account – estimated \$3,000,000.)

e. **Motion 07.10-525**

Moved by Mr. Jackson, seconded by Mr. Wortham and unanimously passed, that the Board approve awards on the basis of best proposals meeting requirements per category to (1) Advanced Health Education Center dba MedRelief Staffing; (2) Advantage Nursing Services, Inc.; (3) Face to Face Healthcare Services, LLC; (4) JWS Health Consultants, Inc.; (5) Maxim Staffing

Solutions; (6) Progressive Nursing Staffers of Texas, Inc. (7) Qualicare Staffing Services, Inc.; (8) Rad-Link Staffing, Inc.; (9) SEV Staffing, Inc.; (10) Star Healthcare Services; (11) Star Nursing, Inc.; (12) States Health, Inc.; (13) Supplemental Health Care; (14) The Staffing Connection; and (15) Trii-Star Medical Staffing Agency in the combined estimated amount of \$17,000,000 for temporary nursing personnel for the term one year upon execution of agreements with two one-year renewal options. The awards are contingent upon the vendors obtaining a valid performance bond and subject to execution of agreements.

(Sisters of Grace Health Services, Inc. was pulled from the above award.)

f. **Motion 07.10-503**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve awards on the basis of only bids meeting specifications by class to Tap Pharmaceutical Inc. in the amount of \$570,821 and Astra Zenca LP in the amount of \$6,156 for the combined amount of \$576,977 for specific outpatient pharmaceutical products (Proton Pump Inhibitors) for the term July 1, 2007 through February 29, 2008.

g. **Motion 07.10-504**

Moved by Mr. Jackson, seconded by Wortham, and unanimously passed, that the Board approve a purchase on the basis of lowest and best contract priced items to Sit On It through Herman Miller for Healthcare for vinyl stacking chairs for District eligibility and health centers in the amount of \$143,754.00.

h. **Motion 07.10-505**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of best priced contract to Hill-Rom Company Inc. for 300 patient beds in the amount of \$1,650,000.00.

i. **Motion 07.10-506**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve utilization of a Harris County Term Contract with Joe Myers Ford for repair parts, labor and related items for Ford automobiles and light trucks in the estimated amount of \$115,000 for the term July 1, 2007 through June 30, 2008.

j. **Motion 07.10-507**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve a purchase on the basis of sole source from Philips Medical Systems to upgrade and expand the existing CompuRecord System in the amount of \$493,188.00.

k. **Motion 07.10-508**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve a purchase on the basis of sole source from Oracle USA, Inc. (F.K.A. PeopleSoft USA, Inc.) of upgrade scripts for PeopleSoft Financials from Version 8.4 to 9.0 in the amount of \$141,235.00.

l. **Motion 07.10-509**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve a purchase on the basis of sole source from Hill-Rom Company Inc. of seventy-five upgraded patient beds in the amount of \$1,161,970.00.

m. **Motion 07.10-510**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of low bid to Vanguard Environment, Inc. for reupholstering and refurbishing of seating in the amount of \$141,947.00.

n. **Motion 07.10-511**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of low bid to Environmental Floors, Inc. for restoration and cleaning services of tile and grout on floors and walls in the estimated amount of \$621,684.00.

Mr. Wortham questioned why we are making this award when we have a contract with a vendor for our cleaning.

o. **Motion 07.10-512**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve an award on the basis of only bid received to GAMBRO Renal Products for Automated Heat Disinfection Reverse Osmosis (RO) System for the Hospital District Riverside Dialysis Clinic in the amount of \$103,007.00.

p. **Motion 07.10-513**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve additional funds for Callan Associates, Inc. for consultant for 401(k) and pension fund in the amount of \$80,000 for the term May 1, 2007 through April 30, 2008. (The Board previously approved funds in the amount of \$85,067 for the term May 1, 2007 through April 30, 2008); these additional funds bring the total funded amount to \$165,067.00.

q. **Motion 07.10-514**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve additional funding for Dictaphone, a division of Nuance to provide speech (voice) recognition system in the amount of \$90,565.00. (The Board previously approved funds in the amount of \$583,877); these additional funds bring the total funded amount to \$674,442.00.)

r. **Motion 07.10-515**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve the second of five renewal options for Pharmacy Healthcare Solutions, Ltd. for indigent patient drug reimbursement program (Product Recovery Services) in the estimated amount of \$1,500,000 for the term December 1, 2007 through November 30, 2008.

s. **Motion 07.10-516**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve the second of three renewal options for Boston Scientific Corporation for drug eluting stents in the estimated amount of \$975,000 for the term December 1, 2007 through November 30, 2008.

t. **Motion 07.10-517**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve renewal of an award on the basis of sole source to Thomson Healthcare for micromedex intranet database customer license agreement in the amount of \$129,785 for the term December 31, 2007 through December 30, 2008.

u. **Motion 07.10-518**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve renewal of an award on the basis of sole source to IBM Corporation for IBM operating system software license and maintenance in the amount of \$185,569 for the term December 15, 2007 through December 14, 2008.

v. **Motion 07.10-519**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board approve the fourth and final renewal option for Siemens Medical Solutions USA, Inc. for software maintenance for NOVIS radiology system in the amount of \$150,000 for the term December 16, 2007 through December 15, 2008.

w. **Motion 07.10-520**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an exemption from the competitive bid requirements for an award to Pinnacle Health Facilities XV, L.P. dba Briarwood Nursing and Rehabilitation for nursing home care for patients in the estimated amount of \$154,600 for the term September 1, 2007 through August 31, 2008 with a one-year renewal option subject to execution of the agreement.

x. **Motion 07.10-521**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an award to Kimberly-Clark Corporation through Cardinal Health for custom procedure trays/packs, gowns and related products in the estimated amount of \$618,650 for the term October 1, 2007 through September 30, 2008.

y. **Motion 07.10-522**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an award to Covidien through Cardinal Health for EKG electrodes, cables and lead wires in the estimated amount of \$149,771 for the term October 1, 2007 through September 30, 2008.

z. **Motion 07.10-523**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an award to Covidien through Cardinal Health for general wound care products in the estimated amount of \$315,411 for the term October 1, 2007 through September 30, 2008.

aa. **Motion 07.10-524**

Moved by Mr. Jackson, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an emergency purchase on the basis of sole source from Stryker Instruments (PP-OR-376) for Stryker drills and accessories in the amount of \$251,718.00.

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

- a. Transmittal of the first of four renewal options for Lone Star Uniforms, Inc. for term contract for uniforms and related items in the estimated amount of \$65,000 for the term January 1, 2008 through December 31, 2008.
- b. Transmittal of the third and final renewal option for The Poseidon Group, Inc. for template charting systems for emergency center physicians and nurses in the estimated amount of \$81,804 for the term December 1, 2007 through November 30, 2008.

- c. Transmittal of an award on the basis of low bid to Waste Management of Texas, Inc. for term contract for refuse removal in the estimated amount of \$89,811 for the term October 1, 2007 through September 30, 2008 with four one-year renewal options.
- d. Transmittal of an award to ConvaTec through Cardinal Healthcare for advanced wound care silver products in the estimated amount of \$32,169 for the term October 1, 2007 through September 30, 2008.
- e. Transmittal of an award to Medegen Medical Products through Cardinal Healthcare for patient bedside products in the estimated amount of \$73,535 for the term October 1, 2007 through September 30, 2008.
- f. Transmittal of an award for a purchase on the basis of lowest priced contract to Nihon Kohden America Inc. for three electroencephalographic units in the amount of \$52,896.00.
- g. Transmittal of award on the basis of only bid received to DMS Health Group for rental of mobile computed tomography (CT) unit in the estimated amount of \$39,900.00.
- h. Transmittal of award on the basis of sole source to Bio-Rad Laboratories to provide HIV-1 Western Blot Confirmation Kit in the estimated amount of \$60,000 for the term October 1, 2007 through September 30, 2008.
- i. Transmittal of purchases for goods and/or services from (1). Premier/Standardized: Halco Life Safety Systems Inc. for nurse call system - \$24,478 and McKesson Automation for med carousel/annual maintenance - \$92,156; (2). Premier: Fujifilm Medical Systems USA, Inc. for imaging plates and accessories - \$49,286; (3). Sole Source: Micro-Waste Corp. for microwave disinfection shredder and installation - \$52,600 and Philips Medical Systems NA CO for Excelera workstation software, service and maintenance - \$82,376; and (4). TXMAS: Rockford Business Interiors, Inc. for office furniture and supplies - \$42,957 for a combined total of \$344,853.

VIII. Reports of the Committees

Ms. Truesdell presented agenda items relative to Joint Conference Committee.

A. Joint Conference Committee

1. Report of the Board of Managers Joint Conference Committee

This item included in the packet as an informational item only, requiring no action.

2. **Motion 07.10-526**

Moved by Mr. Wortham, seconded by Ms. Spinks, and unanimously passed, that the Board approve a Memorandum of Understanding between the Harris County Hospital District and Federally Qualified Community Health Centers located in Harris County.

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

3. **Motion 07.10-527**

Moved by Mr. Wortham, seconded by Ms. Spinks, and unanimously passed, that the Board approve October 2007 credentialing changes for members of the HCHD Medical Staff. (Appendix "A").

4. **Motion 07.10-528**

Moved by Mr. Franklin, seconded by Mr. Wortham, and unanimously passed, that the Board accept the Medical Board Report. (Appendix "B").

B. Budget and Finance Committee

1. **Motion 07.10-529**

Moved by Ms. Spinks, seconded by Mr. Jackson, and unanimously passed, that the Board accept the September 2007 Financial Report subject to final audit.

2. **Motion 07.10- 530**

Moved by Mr. Jackson, seconded by Ms. Spinks, and unanimously passed, that the Board accept the September 2007 Pension Report subject to final audit.

3. **Motion 07.10-531**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Baylor College of Medicine for medical supervision of the Maternal/Child Health Ultrasound Services for eligible Title V patients in the amount of \$100,000 for the term September 1, 2007 through August 31, 2008.

4. **Motion 07.10-532**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board ratify a contract between the Harris County Hospital District and the Department of State Health Services for the Maternal Child Health Prenatal Services for eligible Title V patients in the amount of \$349,843 for the term September 1, 2007 through August 31, 2008.

5. Presentation of September 2007 Financial Statements of Community Health Choice, Inc.

Mr. Richard Lee presented the 2007 Financial Statement of Community Health Choice, Inc. Highlights include:

- Net income for September 2007 - \$967,412
- STAR member months were 16% above budget for September
- CHIP member months were 53% above budget for September
- CHIP Perinate member months were 33% below budget for September

Ms. Spinks requested that the line items on future financial statements be numbered to mirror the Hospital District's financial reports.

The following item was held at the September 27, 2007 Board meeting for consideration and action at this meeting:

6. **Motion 07.10-533**

Moved by Mr. Wortham, seconded by Mr. Jackson, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and Mary Schneider for intergovernmental relations in an amount not to exceed \$100,000 for hourly services and \$50,000 for allowable travel and other business expenses for the term November 3, 2007 through November 2, 2008.

Mr. Franklin commented that he is approving this agreement with the understanding that any paperwork required of Ms. Schneider will be done by her company and not by employees of the Hospital District.

C. Planning and Operations Committee

The Planning and Operations Committee met October 11, 2007 and brings forth the following:

1. **Items related to Personnel**

a. **Motion 07.10-534**

Moved by Mr. Franklin, seconded by Mr. Wortham, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Metropolitan Transit Authority's RideSponsor Program for expenses related to the Metro RideSponsor Program for funds up to \$300,000 for FY 2007-2008.

b. **Motion 07.10-535**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board ratify an addendum and an agreement between the Harris County Hospital District and Houston Works USA for the non-financial internship program for the term June 1, 2007 through May 31, 2008.

c. **Motion 07.10-536**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board approve the Harris County Hospital District's 2008-2009 healthcare premium rates with no increase in the deductible. (Copy in permanent file.)

- d. Mr. Wortham made a motion, it was seconded by Mr. Franklin, and unanimously passed, that the Board approve moving all >65 retiree plan participants from the self-insured medical plan to the fully insured Medicare Advantage 100%, 013 RX Medicare Advantage Plan, effective January 1, 2008.

Following much discussion Mr. Franklin asked to amend the motion to reflect that in the event this plan from the federal government is no longer available, requiring these individuals to revert to a plain Medicare plan, the District will at that time accept them back into the District's medical plan available to our employees.

Motion 07.10-537

Moved by Mr. Wortham, seconded by Mr. Franklin, and unanimously passed, that the Board approve moving all >65 retiree plan participants from the self-insured medical plan to the fully insured Medicare Advantage 100%, 013 RX Medicare Advantage Plan, effective January 1, 2008 and that in the event this plan from the federal government is no longer available and these individuals would have to revert to a plain Medicare plan, the District will at that time accept them back into the District's medical plan available to our employees.

2. **Items Related to Buildings and Properties**

a. **Motion 07.10-538**

Moved by Ms. Stiner, seconded by Mr. Franklin, and unanimously passed, that the Board enter into a Professional Architectural Services Agreement, developed and approved by the County Attorney's Office, with P & W Architects for Renovation of Ben Taub General Hospital's Trauma "Shock" Rooms for a cost not to exceed \$180,200.00.

b. **Motion 07.10-539**

Moved by Ms. Stiner, seconded by Mr. Franklin, and unanimously passed, that the Board enter into an Architectural and Engineering Agreement, developed and approved by the County Attorney's Office, with P & W Architects for the renovation of LBJ General Hospital's Surgery Suite and modification of the Smoke Evacuation System for a cost not to exceed \$203,500.00.

c. **Motion 07.10-540**

Moved by Ms. Stiner, seconded by Mr. Franklin, and unanimously passed, that the Board award the Alief Health Center Project for construction services to Trademark Construction, based on their best bid of \$10,046,376 and an owner's contingency amount of \$502,000.00.

d. **Motion 07.10-541**

Moved by Mr. Franklin, seconded by Ms. Steiner, and unanimously passed, that the Board authorize the Harris County Hospital District to enter into Lease Option 4 with Kynto Ventures, LLC, for 50 parking spaces at a rate of \$35 per space totaling \$1,750 per month for the term January 1, 2008 through December 31, 2008.00.

e. **Motion 07.10-542**

Moved by Mr. Franklin, seconded by Ms. Stiner, and unanimously passed, that the Board authorize the Harris County Hospital District to enter into Lease Option 3 with the Bhandara Family Living Trust, for the leasing of approximately 6,480 square feet of space in the amount of \$1.05 per square foot totaling \$6,804 per month for the term December 1, 2007 through November 30, 2008.

The following item did not go to the Planning and Operations Committee and comes directly to the Board:

f. **Motion 07.10-543**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board award the Dialysis Center Clinic Project at Riverside Health Clinic for construction services to BLS Construction, Inc. based on their base bid of \$589,000 and an owner's contingency amount of \$58,900 (10% of base bid) for a total cost of \$647,900.00.

3. **Items related to Reports**

Report regarding ongoing activities of the Council-at-Large

No report was presented.

D. Performance Improvement & Patient Safety Committee

The Performance Improvement & Patient Safety Committee met July 19, 2007 regarding the following agenda items and now brings them forth:

1. **Motion 07.10-544**

Moved by Mr. Jackson, seconded by Ms. Spinks, and unanimously passed, that the Board accept the annual report on Performance Improvement Activities.

2. Report regarding the Harris county Hospital District Performance Improvement Plan

Ms. Truesdell reported that the Hospital District Performance Improvement Plan was considered in Committee for recommendation to the Board but following conversations with Connie Ferguson, it was decided to make improvements and bring it to the Board at a later date.

E. Legislative Committee

The Legislative Committee did not meet and the following items come directly to the Board:

1. Update, discussion and possible action regarding activities in Austin relating to regulatory issues impacting HCHD, the 80th Legislative Session and the HCHD Legislative Platform

Mr. Hillier presented an overview on the upcoming Medicaid reform proposal and the effect on Medicaid supplemental payments.

2. Update, discussion and possible action regarding pending federal legislative, line items and policy issues affecting HCHD.

Mr. Hillier presented information relative to the upcoming federal budget and line item request.

IX. Miscellaneous Agenda Items

A. **Motion 07.10-545**

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board approve the following appointments to the Corporate Compliance Committee: Mr. E. Dale Wortham, Chair, Ms. Daisy Stiner and Mr. Michael Jhin.

B. Recommendation of Approval for the Creation of an Appointment to an Internal Audit Committee

Deferred to December 6, 2007 Board meeting.

C. Consideration of Appointments to the Board of Managers' Committees

Deferred to December 6, 2007 Board meeting.

X. Executive Session

At 11:11 A.M., Ms. Truesdell stated that the Board would go into Executive Session under Section 161.032 of the Texas Health & Safety Code, Section 160.007 of the Texas Occupations Code and Chapter 551 of the Texas Government Code Section 071 and 074. Ms. Truesdell stated that the regular meeting of the Board would reconvene at the close of Executive Session.

XI. Reconvene

At 11:35 A.M., Ms. Truesdell reconvened the meeting and asked if there were further input to the agenda.

- A. Report by Interim Vice President of Corporate Compliance 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 §161.032 of the Texas Health and Safety Code.

Presented as information only, requiring no action.

- B. Consultation with the County Attorney regarding Cause No. 2006-79923; Nadine Marie Zapletal v. Harris County Hospital District, in the 269th Judicial District Court of Harris County Texas, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

No action taken.

- C. Consultation with the County Attorney regarding an Auto Accident on July 27, 2007 at the LBJ Employee Parking Lot, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

No action taken.

- D. Consultation with the County Attorney regarding Cause No. 2006-10167; Eugene Dale Harris, et al v. Harris County Hospital District, in the 269th Judicial District Court of Harris County Texas, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

No action taken.

- E. Consultation with the County Attorney regarding Cause No. 2006-15321; Sonja Scott, et al v. Harris County Hospital District, in the 270th Judicial District Court of Harris County Texas, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

No action taken.

- F. Consultation with the County Attorney regarding Legal Relationship between the Harris County Hospital District and Community Health Choice, Inc., pursuant to Tex. Gov't Code Ann. §551.071

No action taken.

- G. Discussion and Possible Action regarding Appointments of Board of Directors of Community Health Choice, Inc., pursuant to Tex. Gov't Code Ann. §551.074

No action taken.

- H. Consideration of Employment Contract Extension and Salary Adjustment of Glen R. Johnson, M.D., President and Chief Executive Officer of Community Health

Choice, Inc., pursuant to Tex. Gov't Code §551.074 and Possible Action Upon
Return to Open Session

No action taken.

XII. Adjournment

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously accepted to adjourn
the meeting.

There being no further business, the meeting adjourned at 11:35 A.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 October 25, 2007.

Carolyn Truesdell, Acting Chair
Board of Managers

E. Dale Wortham, Asst. Secretary

Recorded by Charlaa Hunter &
Anne McCowan

(Board Motion# 496 was not used.)