



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

Thursday, February 22, 2007

Board Room – Administration Building

BOARD MEMBERS PRESENT

Mr. J. Evans Attwell, Chair
Mr. Stephen H. DonCarlos, Vice Chair
Ms. Carolyn Truesdell, Secretary
Mr. Elvin Franklin, Jr.
Mr. Danny Jackson
Mr. Michael K. Jhin
Mr. Jim Lemond
Ms. Mary Spinks

BOARD MEMBERS ABSENT

Mr. E. Dale Wortham

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. Jack McCown, Harris County Purchasing
Mr. Kelly Johnson, Harris County Purchasing
Attorney Mercedes Leal, County Attorney's Office
Ms. Elizabeth Estrada, Commissioner Jerry Eversole'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
Guests
Media
(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 9:05 A.M. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meeting

Motion 07.2-81

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board approve the minutes of the January 25, 2007 regular meeting of the Board of Managers.

Mr. Stephen DonCarlos was not present when this vote was taken.

III. Oath of Office for Newly Appointed Board Member and Remarks

Ms. Beverly Kaufman, Harris County Clerk administered the Oath of Office to newly appointed Board member Mr. Michael K. Jhin. Following the Oath, Mr. Jhin gave brief remarks highlighting his background.

Mr. Attwell welcomed Mr. Jhin, stating that the Board looks forward to working with him.

IV. Special Recognition of Ben Taub General Hospital as Recipient of the “Organ Donation Medal of Honor” Award

Mr. Sam Holtzman, President & CEO LifeGift presented Ben Taub General Hospital the “Organ Donation Medal of Honor” award. This award is given by the Department of Health & Human Services for Ben Taub’s recent recognition as one of the best hospitals in the United States for organ donations. Ben Taub General Hospital staff in attendance for the presentation included Dr. Kenneth Mattox and Mr. Jeff Webster.

V. Hear from Citizens

No citizens were present to address the Board.

VI. Motion 07.2-82

Moved by Mr. Lemond, seconded by Mr. Franklin, and unanimously passed, that the Board approve the following regular committee appointment:

- a. Performance Improvement and Patient Safety Committee: Michael K. Jhin
- b. Joint Conference Committee: Michael K. Jhin

Mr. Stephen DonCarlos was not present when this vote was taken.

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

VII. Items Related to Purchasing

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

a. Motion 07.2-83

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of best and lowest priced proposals to Gulf Coast Cancer & Diagnostic Center @ Southeast, OKO Med Downtown Imaging, River Oaks Imaging and Diagnostic, and St. Joseph Medical Center for imaging services in the total estimated amount of \$5,000,000 based on the number of patients waiting for services, for the term March 1, 2007 through February 29, 2008 with two one-year renewal options subject to execution of the agreements.

Mr. Stephen DonCarlos was not present when this vote was taken.

Allocation of funds to individual vendors will depend upon the number of patients each vendor is able to accommodate in its schedule. Funds may be reallocated among vendors at anytime during the term of the agreement.

b. **Motion 07.2-84**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of best proposal meeting requirements to Cardon Healthcare Network, Inc. and Select Billing and Collection Services, LTD for collection services for lien accounts in the estimated amount of \$175,000 each, for the term of one year upon execution of agreements with four (4) one-year renewal options subject to execution of the agreements.

Mr. Stephen DonCarlos was not present when this vote was taken.

c. **Motion 07.2-85**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of best proposal meeting requirements to JP Morgan Chase Bank, NA for treasury management services in the estimated amount of \$155,405 for a four-year term upon execution of the agreement; each year subject to fiscal funding, plus additional funds for expanded technology services which will be presented to the Board of Managers for approval after the final terms are negotiated. This award is subject to execution of the agreement.

Mr. Stephen DonCarlos was not present when this vote was taken.

d. **Motion 07.2-86**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of best bid to Metrocall, Inc., D/B/A USA Mobility, Inc. ("Arch Wireless") for leasing wireless pagers, messaging services and related items in the estimated amount of \$175,000 for the term February 1, 2007 through January 31, 2008 with four (4) one-year renewal options.

Mr. Stephen DonCarlos was not present when this vote was taken.

e. **Motion 07.2-87**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a purchase on the basis of lowest priced contract of two angio systems for Ben Taub General Hospital from Philips Medical Systems N.A. in a total amount of \$2,828,743.

Mr. Stephen DonCarlos was not present when this vote was taken.

f. **Motion 07.2-88**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis of lowest complete bid meeting specifications to DynaGene – a LabCorp Company for special reference bone marrow testing services in the estimated amount of \$129,732 for the term March 1, 2007 through April 30, 2008 with two one-year renewal options.

Mr. Stephen DonCarlos was not present when this vote was taken.

g. **Motion 07.2-89**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve awards on the basis of only bids meeting specifications by class for specific outpatient pharmaceutical products for the term March 1, 2007 through February 29, 2008 to the following:

Merck & Co., Inc.	\$2,148,067
Amgen USA Inc.	1,931,427
Merck/Schering-Plough	812,822
Eli Lilly and Company	630,186
Sciele Pharma Inc.	434,062
The Procter & Gamble Co.	<u>15,144</u>
Total:	\$5,971,708

Mr. Stephen DonCarlos was not present when this vote was taken.

h. **Motion 07.2-90**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve awards on the basis on only bids meeting specifications by class for specific pharmaceutical products (Contrast Media) for the term March 1, 2007 through February 29, 2008 with two one-year renewal options to the following:

GE Healthcare Inc.	\$1,092,750
Mallinckrodt Inc.	59,601
Berlex Laboratories, Inc.	20,702
Bracco Diagnostic Inc.	3,712
Total:	\$1,176,766

Mr. Stephen DonCarlos was not present when this vote was taken.

i. **Motion 07.2-91**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve additional funds and an extension for

Gulf Coast Regional Blood Center in the amount of \$1,222,224 for blood services and products for the extended term of March 1, 2007 through May 31, 2007. (The Board previously approved funds in the amount of \$4,888,977 for the term March 1, 2006 through February 28, 2007; these additional funds bring the total funded amount to \$6,111,221.)

Mr. Stephen DonCarlos was not present when this vote was taken.

j. **Motion 07.2-92**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve additional funds and an extension for Medical Advocacy Services for Healthcare, Inc. (MASH) – no additional funds required and NCO Financial Systems (NCO) in the amount of \$642,000 for third party specialists to assist with certification of pending Medicaid cases and other related third party sources. (The Board previously approved funds in the amount of \$1,300,000; these additional funds bring the total funded amount to \$1,942,000.) Each vendor has two agreements as listed below, and the terms are based on the dates the agreements were executed:

Medical Advocacy Services for Healthcare, Inc. (MASH)

- Certification of Emergency Room Patient Accounts for Medicaid Benefits
10/18/06 – 08/01/07 extended term
10/18/05 – 10/17/06 previous term
- Certification of SSI-linked Medicaid Patient Accounts
10/23/06 – 08/01/07 extended term
10/23/05 – 10/22/06 previous term

NCO Financial Systems

- Certification of Patient Accounts for the TANF Program and Related Medicaid Benefits
10/07/06 – 08/01/07 extended term
10/07/05 – 10/06/06 previous term
- Certification of SSI-linked Medicaid Patient Accounts
10/07/06 – 08/01/07 extended term
10/07/05 – 10/06/06 previous term

Mr. Stephen DonCarlos was not present when this vote was taken.

k. **Motion 07.2-93**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve additional funds in the amount of \$230,423 for Shared Technologies for 24 hour monitoring and

maintenance of Meridian PBX, telephone systems, telephones and related equipment for the term November 4, 2006 through February 28, 2007. (The Board previously approved funds in the amount of \$616,014 for the term November 4, 2006 through February 28, 2007; these additional funds bring the total funded amount to \$846,437.)

Mr. Stephen DonCarlos was not present when this vote was taken.

l. **Motion 07.2-94**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve funding for the second and final year of a two-year agreement with Computer Associates International for software license agreement for the IBM Mainframe for the term April 30, 2007 through April 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

m. **Motion 07.2-95**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award on the basis on sole source to Siemens Medical Solutions, USA (PP-IM-028) for information management system in the amount of \$189,289.

Mr. Stephen DonCarlos was not present when this vote was taken.

n. **Motion 07.2-96**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an interagency agreement to provide computer analysis and reports regarding certain medical encounters between Community Health Choice, Inc. and the Harris County Hospital District in the estimated amount of \$150,000 for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

o. **Motion 07.2-97**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award to The University of Texas M.D. Anderson Cancer Center for colposcopy and other professional medical services in the estimated amount of \$100,000 for the term March 1, 2007 through February 29, 2008 with four one-year renewal options subject to execution of the agreement.

Mr. Stephen DonCarlos was not present when this vote was taken.

p. **Motion 07.2-98**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the purchase of Epic Rx Software Implementation Services for core patient care and patient administration systems-a.k.a. Foundation Project in an amount not to exceed \$1,000,000 for the term to be determined.

Mr. Stephen DonCarlos was not present when this vote was taken.

q. **Motion 07.2-99**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an award to DIR through AT&T Datacomm for maintenance and support of Cisco Smartnet equipment in the amount of \$536,124 for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

r. **Motion 07.2-100**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the purchase of two shuttle buses from Capital Bus Sales and Service of Texas, Inc. in the amount of \$113,619.

Mr. Stephen DonCarlos was not present when this vote was taken.

s. **Motion 07.2-101**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve utilization of Harris County contracts with Caldwell County Chevrolet, Windham Motor Company, Planet Ford, Tommie Vaughn Motors, Inc., Dallas Dodge, McKinney Dodge, and Philpott Ford for the term November 1, 2006 through October 31, 2007 to allow the Hospital District to purchase three vans from Philpott Ford in the amount of \$41,550.

Mr. Stephen DonCarlos was not present when this vote was taken.

t. **Motion 07.2-102**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the purchase of sixteen (16) patient beds from Hill Rom Company Inc. for the total amount of \$106,209.

Mr. Stephen DonCarlos was not present when this vote was taken.

u. **Motion 07.2-103**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the purchase of thirty-nine (39)

physiological patient monitors from Philips Medical Systems NA for the total amount of \$948,331.

Mr. Stephen DonCarlos was not present when this vote was taken.

v. **Motion 07.2-104**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a purchase on the basis of best-priced contract from Philips Medical Systems, N.A. of physiological monitoring systems for the term of one year upon execution of agreement with four one-year renewal options. This award is for products and services only; funds are not requested at this time.

Mr. Stephen DonCarlos was not present when this vote was taken.

As each project is defined, it will be presented to the Board of Managers for funding approval as required. The County Attorney's office is preparing a five-year Strategic Partnership agreement contingent upon Philips Medical Systems continued affiliation with Premier throughout the term of the agreement. The estimated expenditure for the five-year term is \$9,000,000.

w. **Motion 07.2-105**

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

Aetna Life Insurance Company (Flexible Spending Account)	\$ 37,000 estimated
Spectera, Inc. (Vision)	604,000 estimated
United Healthcare Insurance Company (DPPO)	814,000 estimated
National Pacific Dental, Inc. (DHMO)	965,000 estimated
Hartford Life & Accident Insurance Company (Life/AD&D)	<u>1,232,000 estimated</u>
Total	\$3,652,000 estimated

Mr. Stephen DonCarlos was not present when this vote was taken.

x. **Motion 07.2-106**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve renewal of an award on the basis of sole source to EXP Pharmaceutical Services Corp. (PP-PH6EXP01) for reverse drug distribution in the estimated amount of \$87,500 for the term February 1, 2007 through January 31, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

y. **Motion 07.2-107**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the first of four renewal options for National Research Corporation dba NRC+Picker for patient satisfaction and HCAHPS surveys, employee surveys and physician surveys in the estimated amount of \$511,823 for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

z. **Motion 07.2-108**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the first of four renewal options for Professional Systems Corporations dba PSC Info Group for patient billing services in the estimated amount of \$650,000 for the term March 1, 2007 through February 29, 2008 subject to execution of the amendment.

Mr. Stephen DonCarlos was not present when this vote was taken.

aa. **Motion 07.2-109**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the first of four renewal options for Midwest Employers Casualty Co. through Alamo Insurance Group, Inc. for Excess Workers' Compensation and Employer's Liability Insurance in the estimated amount of \$386,253 for the term March 31, 2007 through March 31, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

bb. **Motion 07.2-110**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the second of three renewal options for The University of Texas M.D. Anderson Cancer Center for on-site mammography services in an amount not to exceed \$200,000 for the term May 1, 2007 through April 30, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

cc. **Motion 07.2-111**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the third of four renewal options for SimplexGrinnell for maintenance and services for fire alarm systems in

the estimated amount of \$166,966 for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

dd. **Motion 07.2-112**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an exemption from the competitive bid requirements and renewal for The American National Red Cross for blood products and components in the estimated amount of \$1,700,000 for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

ee. **Motion 07.2-113**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the second of two renewal options for Nestle USA, Inc. d/b/a Nestle Nutrition - \$174,474 (estimated), Ross Products Division, Abbott Labs - \$23,215 (estimated), and Mead Johnson & Company - \$15,266 (estimated) for the total estimated amount of \$212,955 for infant/adult, nutritional/disease specific formulas for the term March 1, 2007 and through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

ff. **Motion 07.2-114**

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board ratify a purchase of IV systems and products from Baxter Healthcare Corporation in the estimated amount of \$2,304,463 for the term February 1, 2007 through January 31, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

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

- a. Job 06/0032: Renewal of Award for Interpreter Services for Hearing Impaired Persons – *Nightingale Adult Day Center*

Transmittal of the first and final renewal option for Nightingale Adult Day Center for interpreter services for hearing impaired persons in the estimated amount of \$80,000 for the term April 1, 2007 through March 31, 2008.

- b. Premier Contract: Award for Contrast Media - Barium – *Mallinckrodt Inc. through Merry X-Ray*

Transmittal of a purchase on the basis of sole source from Mallinckrodt Inc. through Merry X-Ray of contrast media – barium in the estimated amount of \$70,452 for the term January 1, 2007 through December 31, 2007.

- c. Job 07/0001: Award for Ophthalmology Operating Microscope – *Leica Microsystems, Inc.*

Transmittal of award on the basis on only bid received to Leica Microsystems, Inc. for ophthalmology operating microscope for Lyndon B. Johnson General Hospital in the amount of \$85,515.

- d. Premier Contract: Award for Mobility Aids – *Medline Industries, Inc.*

Transmittal of award on the basis of best overall contract to Medline Industries, Inc. for mobility aids in the estimated amount of \$83,790 for the term February 1, 2007 through January 31, 2008.

- e. Premier Contract: Award for Stretchers (13 ea.) – *Stryker Corporation*

Transmittal of a purchase on the basis of best overall contract from Stryker Corporation of thirteen stretchers for the amount of \$64,359.

- f. Premier Contract: Additional Funds for Immunochemistry Analyzers, Lab Automation, Reagents, Consumables and Service – *Siemens Medical Solutions Diagnostics (PP-LA-117) fka Bayer Healthcare LLC Diagnostic Division*

Transmittal of additional funds for Siemens Medical Solutions Diagnostics (PP-LA-117) fka Bayer Healthcare LLC Diagnostic Division for immunochemistry analyzers, lab automation, reagents, consumables and service in the amount of \$43,067 for the term July 1, 2006 through June 30, 2007 subject to execution of the contract. (The Board previously approved funds in the amount of \$728,985 for the term July 1, 2006 through June 30, 2007; these additional funds bring the total funded amount to \$762,052.)

- g. Professional Services: Exemption from the Competitive Bid Requirements and Additional Funds for Consulting Services – *Vinson & Elkins, L.L.P.*

Transmittal of an exemption from the competitive bid requirements and additional funds for Vinson & Elkins, L.L.P. for consulting services in the amount of \$50,000 for the term October 2, 2006 through April 1, 2007. (The Board previously approved funds in the amount of \$100,000 for the term October 2, 2006 through April 1, 2007; these additional funds bring the total funded amount to \$150,000.)

- h. Purchases for Various Categories of Goods and/or Services:

- (1) TXMAS: Vanguard Environments, Inc. (LBJ Lobby Seating) - \$35,880;
- (2) Premier Standardized: Olympus America, Inc. (ultrasonic bronchofibervideoscope and CLA processor) - \$64,245, McKesson Automation (automated medication dispensing system) - \$86,127, and Hill-Rom (versaCare bed package and mattress) - \$39,828;
- (3) Sole Source/Premier: Advanced Sterilization Product, Inc. (Sterrad® NX Sterilization system) - \$46,955;
- (4) Sole Source: Q-Matic Corporation (Q-Matic ticket system ext. warranty) - \$42,395, Hill-Rom (WatchChild™ Data Acquisition Server) - \$76,691, and Alsius Corporation (Temperature management system coolgard 3000) - \$25,650;
- (5) CISV: Corporate Express Imaging & Computer (500 IBM LTO ultrium tape cartridges) \$26,625 and Mark III Systems, Inc. (VMWare software license and maint.) - \$36,843;
- (6) DIR: Hewlett-Packard Company (HP server and components) - \$59,724

The total amount of these awards: \$540,963.00.

Mr. Attwell announced that the Board will now deviate from the agenda and consider agenda item VIII. C.

VIII. Reports of the Committees

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

Joint Conference Committee agenda items were taken out of order following agenda item VIII. B.

A. Joint Conference Committee

The Joint Conference Committee did not meet and brings directly to the Board the following:

1. Motion 07.2-154

Moved by Mr. DonCarlos, seconded by Mr. Franklin, and unanimously passed, that the Board approve the credentialing changes for members of the HCHD Medical Staff for February 2007 as recommended by the Medical Board. (Appendix "A".)

2. Motion 07.2-155

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

Mr. Attwell announced that the Board will now consider agenda item VIII. D.

B. Budget and Finance Committee

Mr. Attwell called on Mr. Jackson who called on Ms. Alhand to present the agenda items related to Budget and Finance.

These agenda items were taken out of order following agenda item VIII. C.

The Budget and Finance Committee did not meet and brings directly to the Board the following:

1. FY2008 Operating and Capital Budget (3/1/07 – 2/29/08)

Motion 07.2-150

Moved by Mr. Jackson, seconded by Ms. Spinks, and unanimously passed, that the Board approve the Harris County Hospital District Fiscal Year 2008 Operating and Capital Budget as presented. (Operating Budget - \$924,409,000 and Capital Budget - \$30,000,000).

Mr. DonCarlos was not present when this vote was taken.

2. Financial Report

Ms. Liz Alhand presented the January 2007 Financial Reports. Much discussion ensued. Highlights include:

For the month of January

- Total Operating Income as Reported: \$56.1M
- Favorable Adjustments: \$38.6M
- Unfavorable Adjustments: \$12.7M

Mr. David Lopez shared with the Board that the District should receive its first payment from the Harris County Regional UPL in April 2007.

Mr. Stephen DonCarlos joined the meeting at this time (9:30 a.m.)

Motion 07.2-151

Moved by Mr. Jackson, seconded by Ms. Spinks, and unanimously passed, that the Board accept the January 31, 2007 Financial Reports subject to final audit.

3. **Motion 07.2-152**

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board accept the Pension Plan Reports for the period ended January 31, 2007 subject to final audit.

4. **Motion 07.2-153**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve of the Harris County Hospital District process for the sale/disposal of excess/obsolete Hospital District property.

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

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

- Net income for January \$713,625
- STAR Member months were 2% above budget
- CHIP member months were 31% above budget
- Revenue was 4% below budget

Mr. Attwell announced that the Board will now consider agenda item VIII. A.

Mr. Attwell called on Mr. Elvin Franklin, Jr. to present agenda items related to Planning and Operations Committee.

C. Planning and Operations Committee

These agenda items were taken out of order.

The Planning and Operations Committee did not meet and brings directly to the Board the following:

1. Items Related to Contractual Agreements

a. **Motion 07.2-115**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and Lord of the Streets Episcopal Church to provide on-site health care services to homeless individuals. The amount of the agreement is not to exceed \$66,200 for the term March 1, 2007 through February 28, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

b. **Motion 07.2-116**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve an agreement between the Harris County Hospital District and Harmony House to provide on-site health care services to homeless individuals. The amount of the agreement is not to exceed \$110,000 for the term April 1, 2007 through March 31, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

c. **Motion 07.2-117**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the first amendment to the Professional Services Agreement between the Harris County Hospital District and the University of Texas Health Science Center at Houston for telemedicine medical services to provide an assessment and evaluation of the efficacy of the telemedicine medical services project and to offer recommendations for monitoring and improvement. The term of the first amendment is March 1, 2007 to August 31, 2007 in an amount not to exceed \$18,000 in federal grant funds from the Health Resources and Services Administration.

Mr. Stephen DonCarlos was not present when this vote was taken.

d. **Motion 07.2-118**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a renewal agreement between the Harris County Hospital District and the Mental Health Retardation Authority of Harris County to provide mental health services at the school-based clinics for the term March 1, 2007 through February 28, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

2. Items Related to Contractual Agreement Ratifications

a. **Motion 07.2-119**

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and M.D. Anderson Cancer Center for the provision of radiation therapy and related services in an amount not to exceed \$5,000,000 for the term November 1, 2006 for one year to be renewed annually for four years upon execution of the amendment with Board approval.

Mr. Stephen DonCarlos was not present when this vote was taken.

b. **Motion 07.2-120**

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Baylor College of Medicine to provide HIV Perinatal Transmission Program education, training, consultation and evaluation services to selected hospital and delivery units throughout Harris County in the amount of \$41,337 for the term January 1, 2007 through December 31, 2007.

cMr. Stephen DonCarlos was not present when this vote was taken.

c. **Motion 07.2-121**

Moved by Mr. Franklin, seconded by Mr. Jackson, 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 DMIE Program for the term September 1, 2006 through August 31, 2007. The compensation for the Medical Director's service is cost based with all HCHD costs reimbursed through the federal grant funding this demonstration project.

Mr. Stephen DonCarlos was not present when this vote was taken.

3. Items Related to Ryan White Funding

a. Contractual Agreements

1. **Motion 07.2-122**

Moved by Mr. Franklin, seconded by Mr. Lemond, and unanimously passed, that the Board approve an agreement funded by Ryan White Title I between the Harris County Hospital District and Harris County to provide primary care to eligible HIV-infected females who are patients of the Harris County Hospital District in the amount of \$241,532 for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

2. **Motion 07.2-123**

Moved by Mr. Franklin, seconded by Mr. Lemond, and unanimously passed, that the Board approve an agreement funded by Ryan White Title I between the Harris County Hospital District and Harris County to provide medical case management to HIV-infected individuals who are patients of the Harris County Hospital District in the amount of \$656,000 for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

3. **Motion 07.2-124**

Moved by Mr. Franklin, seconded by Mr. Lemond, and unanimously passed, that the Board approve an agreement funded by Ryan White Title I between the Harris County Hospital District and Harris County to provide primary care to eligible HIV-infected individuals who are patients of the Harris County Hospital District in the

amount of \$2,403,001 for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

4. **Motion 07.2-125**

Moved by Mr. Franklin, seconded by Mr. Lemond, and unanimously passed, that the Board approve an agreement funded by Ryan White Title I between the Harris County Hospital District and the University of Texas Health Science Center of Houston to provide physician services to eligible HIV-infected individuals who are patients of the Harris County Hospital District in the amount of \$452,190 for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

5. **Motion 07.2-126**

Moved by Mr. Franklin, seconded by Mr. Lemond, and unanimously passed, that the Board approve an agreement funded by Ryan White Title I between the Harris County Hospital District and Baylor College of Medicine, Department of Obstetrics and Gynecology to provide physician services to eligible HIV-infected females who are patients of the Harris County Hospital District in the amount of \$61,755 for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

6. **Motion 07.2-127**

Moved by Mr. Franklin, seconded by Mr. Lemond, and unanimously passed, that the Board approve an agreement funded by Ryan White Title I between the Harris County Hospital District and Baylor College of Medicine, Department of Medicine to provide physician services to eligible HIV-infected individuals who are patients of the Harris County Hospital District in the amount of \$554,725 for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

b. Contractual Ratifications

1. **Motion 07.2-128**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board ratify an agreement funded by Ryan White Title III between the Harris County Hospital District and Baylor College of Medicine, Department of Family and Community Medicine to provide physician services to eligible HIV-infected

individuals who are patients of the Harris County Hospital District in the amount of \$24,600 for the term January 1, 2007 through December 31, 2007.

Mr. Stephen DonCarlos was not present when this vote was taken.

2. **Motion 07.2-129**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board ratify an agreement funded by Ryan White Title III between the Harris County Hospital District and Baylor College of Medicine, Department of Family and Community Medicine to provide physician services to eligible HIV-infected individuals who are patients of the Harris County Hospital District in the amount of \$36,000 for the term January 1, 2007 through December 31, 2007.

Mr. Stephen DonCarlos was not present when this vote was taken.

3. **Motion 07.2-130**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board ratify an agreement funded by Ryan White Title III between the Harris County Hospital District and Baylor College of Medicine, Department of Medicine to provide physician services to eligible HIV-infected individuals who are patients of the Harris County Hospital District in the amount of \$37,381 for the term January 1, 2007 through December 31, 2007.

Mr. Stephen DonCarlos was not present when this vote was taken.

4. **Motion 07.2-131**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board ratify an agreement funded by Ryan White Title I, III, and IV between the Harris County Hospital District and the University of Texas Health Science Center of Houston to provide physician and support services to eligible HIV-infected and affected women, children, and infants at Lyndon B. Johnson General Hospital in the amount of \$137,053 for the term January 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

c. Settlement Agreement Ratifications

1. **Motion 07.2-132**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board ratify a settlement agreement funded by Ryan

White Title I between the Harris County Hospital District and the University of Texas Health Science Center of Houston to provide reimbursement of HIV fellow services provided to eligible HIV-infected individuals who are patients of the Harris County Hospital District in the amount of \$10,795 for the term March 1, 2005 through February 28, 2006.

Mr. Stephen DonCarlos was not present when this vote was taken.

2. **Motion 07.2-133**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board ratify a settlement agreement funded by Ryan White Title I between the Harris County Hospital District and the University of Texas Health Science Center of Houston to provide reimbursement of physician services provided to eligible HIV-infected individuals who are patients of the Harris County Hospital District in the amount of \$9,745 for the term March 1, 2006 through February 28, 2007.

Mr. Stephen DonCarlos was not present when this vote was taken.

3. **Motion 07.2-134**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board ratify a settlement agreement funded by Ryan White Part F between the Harris County Hospital District and Baylor College of Medicine to provide medical direction services to the AIDS Education Training Center Local Performance Site in the amount of \$9,500 for the term July 1, 2005 through June 30, 2006.

Mr. Stephen DonCarlos was not present when this vote was taken.

4. Items Related to Point of Entry Agreements

a. **Motion 07.2-135**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a Point of Entry Agreement between the Harris County Hospital District and Houston Department of Health and Human Services to facilitate access to services for HIV+ individuals for the term March 1, 2007 through February 29, 2008. Neither party will pay or receive compensation under this agreement.

Mr. Stephen DonCarlos was not present when this vote was taken.

b. **Motion 07.2-136**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a Point of Entry Agreement between the

Harris County Hospital District and Legacy Community Health Services to facilitate access to treatment services for HIV+ individuals for the term March 1, 2007 through February 29, 2008. Neither party will pay or receive compensation under this agreement.

Mr. Stephen DonCarlos was not present when this vote was taken.

c. **Motion 07.2-137**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a Point of Entry Agreement between the Harris County Hospital District and Houston Area Community Services (HACS) to facilitate access to services for HIV+ individuals for the term March 1, 2007 through February 29, 2008. Neither party will pay or receive compensation under this agreement.

Mr. Stephen DonCarlos was not present when this vote was taken.

d. **Motion 07.2-138**

Moved by Mr. Franklin, seconded by Ms. Truesdell and unanimously passed, that the Board approve a Point of Entry Agreement between the Harris County Hospital District and Family Service Center to facilitate access to services for HIV+ individuals for the term March 1, 2007 through February 29, 2008. Neither party will pay or receive compensation under this agreement.

Mr. Stephen DonCarlos was not present when this vote was taken.

e. **Motion 07.2-139**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a Point of Entry Agreement between the Harris County Hospital District and Montrose Counseling Center to facilitate access to treatment services for HIV+ individuals for the term March 1, 2007 through February 29, 2008. Neither party will pay or receive compensation under this agreement.

Mr. Stephen DonCarlos was not present when this vote was taken.

f. **Motion 07.2-140**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a Point of Entry Agreement between the Harris County Hospital District and St. Hope Foundation to facilitate access to treatment services for HIV+ individuals for the term March 1, 2007 through February 29, 2008. Neither party will pay or receive compensation under this agreement.

Mr. Stephen DonCarlos was not present when this vote was taken.

5. Items Related to Facilities Use Agreements

a. **Motion 07.2-141**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a Facilities Use Agreement between the Harris County Hospital District and Houston Volunteer Lawyers for the use of space at Thomas Street Health Center to provide legal consultation to eligible HIV-infected individuals for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

b. **Motion 07.2-142**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a Facilities Use Agreement between the Harris County Hospital District and AIDS Foundation of Houston to provide childcare to eligible HIV-infected individuals at Thomas Street Health Center for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

c. **Motion 07.2-143**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve a Facilities Use Agreement between the Harris County Hospital District and People with AIDS Coalition for the use of space at Thomas Street Health Center to provide health education groups to eligible HIV-infected individuals for the term March 1, 2007 through February 29, 2008.

Mr. Stephen DonCarlos was not present when this vote was taken.

6. Items Related to Personnel

a. **Motion 07.2-144**

Moved by Mr. Franklin, seconded by Mr. Lemond, and unanimously passed, that the Board approve the Sixth Amendment to the Harris County Hospital District's Pension Plan. (This amendment carves out the long-term disability (LTD) employee benefits.)

Mr. Stephen DonCarlos was not present when this vote was taken.

b. **Motion 07.2-145**

Moved by Mr. Franklin, seconded by Mr. Lemond, and unanimously passed, that the Board approve additional signature authority for Schedule "D" of the Trust Agreement between the Harris County

Hospital District and Fidelity Management Trust Company for the 401(k) Plan.

Mr. Stephen DonCarlos was not present when this vote was taken.

c. **Motion 07.2-146**

Moved by Mr. Franklin, seconded by Mr. Lemond, and unanimously passed, that the Board approve the revised Severance Benefits for Positions of Director Level & Above Policy which identifies involuntary separation circumstances and provides guidelines under which severance might be granted for employees who are employed in positions of Director level and above to effective immediately.

Mr. Stephen DonCarlos was not present when this vote was taken.

d. **Motion 07.2-147**

Moved by Mr. Franklin, seconded by Mr. Lemond, and unanimously passed, that the Board approve the revised Permanent Reduction in the Work Force Due to Business Necessity Policy which establishes guidelines for permanent reductions in positions excluding positions at the Director level and above due to a business necessity, including reorganization, anticipated decrease in funding, and reductions in services to be effective immediately.

Mr. Stephen DonCarlos was not present when this vote was taken.

e. **Motion 07.2-148**

Moved by Mr. Franklin, seconded by Mr. Lemond, and unanimously passed, that the Board approve the revised Neutral Absence Policy to clarify that the District may terminate any employee after an absence of 180 consecutive calendar days.

Mr. Stephen DonCarlos was not present when this vote was taken.

f. Discussion and Possible Action regarding the Harris County Hospital District's Staffing During Disasters Policy

This report was included in packet.

7. Items Related to Building and Properties

Motion 07.2-149

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board of Managers award the Baytown Community Health Center Parking Lot Driveway Extension Project for construction services to Craig & Heidt, Inc., based on their best bid of \$134,580. Additionally, it is

recommended that a \$20,000 (15% of bid) owner's contingency allowance be established for this project.

Mr. Stephen DonCarlos was not present when this vote was taken.

8. Informational Report

Report regarding Ongoing Activities of the Council-at-Large

No report was presented.

Mr. Attwell announced that the Board will now consider Agenda Item VIII. B.

Mr. Attwell called on Mr. Jim Lemond to present agenda items related to the Legislative Committee.

D. Legislative Committee

Mr. Jim Lemond called on Mr. King Hillier to present agenda items related to the Legislative Committee.

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

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 gave an overview of the current proceedings of the 80th Legislative Session. Topics discussed included Medicaid reform, Medicaid supplemental payments, trauma funding, mental health services, and revenue and property tax caps.

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

Mr. Hillier and Ms. Schneider gave an overview of recent events in Washington, D.C., which highlighted the current political environment, budgets and line items, and Medicaid.

IX. Executive Session

At 10:21 A.M., Mr. Attwell stated that the Board would go into Executive Session under Section 161.032 of the Texas Health & Safety Code and Chapter 551 of the Texas Government Code Section 071. He stated that the regular meeting of the Board would reconvene at the close of Executive Session.

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

X. Reconvene

At 12:09 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 County Attorney regarding Cause No. 816,923 in County Civil Court at Law #2 styled *Harris County Hospital District v. Textac Partners I*, pursuant to Tex. Gov't Code Ann. §551.071, and Possible Action regarding this Matter Upon Return to Open Session

Presented as information only, requiring no action.

- C. Consultation with the County Attorney regarding a Possible Settlement with the United States Department of Health and Human Services Office of Inspector General, Any Private Parties, and the Texas Attorney General Involving Documents Requested Under Authority of Public Law 95-542 by Subpoena Duces Tecum Control No. 8783 on March 12, 2004, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

Motion 07.2-156

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, approve and hereby authorize the settlement and release of all claims relating to the audit of documents subpoenaed by the Department of Health and Human Services Office of Inspector General, including any claims of the United States Department of Health and Human Services Office of Inspector General, the Texas Department of Health and Human Services, and any private parties involving documents requested under authority of Public Law 95-542 by Subpoena Duces Tecum Control No. 8783 on March 12, 2004, by payment of civil monetary penalties not to exceed \$14,950,000.00, plus court costs, expenses and attorney fees not to exceed \$114,967.93, and the entry into an acceptable final Settlement Agreement and Certification of Compliance Agreement with the Department of Health and Human Services Office of Inspector General, and further authorize David S. Lopez, President/CEO to execute any release, agreement, motion, judgment or other necessary documents to effect this settlement.

Mr. Elvin Franklin, Jr. departed the meeting prior to this vote.

- D. Consultation with the County Attorney regarding Cause No. 2006-15322; *Sonja Scott v. Harris County Hospital District, et al*; 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

Presented as information only, requiring no action.

- E. Consultation with the County Attorney regarding Cause No. 2005-66516; *Halina Cebrat v. Harris County Hospital District, et al*; in the 190th 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

Presented as information only, requiring no action.

- F. Consultation with the County Attorney regarding Cause No. 851,988; *Mary Joyce Holcomb v. Harris County Hospital District, et al*; in the County Court at Law No. 2 of Harris County Texas, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

Presented as information only, requiring no action.

- G. Consultation with the County Attorney regarding Compliance with State Licensing regulations Applicable to District facilities, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action regarding this Matter Upon Return to Open Session

Presented as information only, requiring no action.

- H. Discussion of the Employment, Evaluation of and a Complaint against the Vice President for Corporate Compliance, pursuant to Tex. Gov't Code Ann. §551.071

Presented as information only, requiring no action.

XI. Adjournment

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

There being no further business, the meeting adjourned at 12:12 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 February 22, 2007.

J. Evans Attwell, Chair
Board of Managers

Carolyn Truesdell, Secretary

Recorded by Anne McCowan