



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

**Tuesday, June 24, 2008**

**Board Room – Administration Building**

**BOARD MEMBERS PRESENT**

Mr. Stephen DonCarlos, Chair  
Ms. Carolyn Truesdell, Vice Chair  
Mr. Danny Jackson, Asst. Secretary  
Mr. E. Dale Wortham, Secretary  
Mr. Elvin Franklin, Jr.  
Mr. Michael Jhin  
Dr. George Santos  
Ms. Mary Spinks  
Ms. Daisy Stiner

**BOARD MEMBERS ABSENT**

**OTHERS PRESENT**

Mr. David Lopez, President & Chief Executive Officer  
Mr. George Masi, COO  
Mr. Jack McCown, Harris County Purchasing  
Mr. Kelly Johnson, Harris County Purchasing  
Attorney Mercedes Leal, County Attorney's Office  
Ms. Peggy Boice, Judge Ed Emmett's Office  
Ms. Gloria Moreno, Commissioner Sylvia Garcia's Office  
Ms. Elizabeth Neal, Commissioner Jerry Eversole's Office  
Administrative Staff  
Guests  
(Sign-in Sheets attached to permanent record)

**I. Call to Order and Record of Attendance**

Mr. Stephen DonCarlos, Chair, called the meeting to order at 9:07 A.M. and noted that a quorum was present. The attendance was recorded.

**II. Hear from Citizens**

There were no citizens.

**III. Consideration of Appointment to the Harris County Hospital District Board of Managers' Audit Committee**

**Motion 08.6-367**

Moved by Ms. Stiner, seconded by Dr. Santos, and unanimously passed, that the Board approve the appointment of Mr. Danny Jackson to the Harris County Hospital District Board of Managers' Audit Committee.

**IV. President/Chief Executive Officer's Report to Include: 1) Community Services Initiatives; 2) RVU Implementation: Status Report; 3) State Medically Need Program: Update; 4) Management Forum: Featured Speaker; and 5) Strategic Capital Projects: Status Report**

Individuals presented updates as listed below:

- Dr. Margo Hilliard – Community Services Initiatives (Copy PowerPoint presentation in permanent record file.)
- Mr. David Lopez – (1) RVU Implementation: Status Report; (2) State Medically Need Program: Update; (3) Management Forum: Featured Speaker; and (4) Strategic Capital Projects: Status Report

**V. Items Related to Purchasing**

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

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

a. **Motion 08.6-368**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve utilization of a Harris County Term Contract for an award to Freeway Ford LTD (Primary Vendor) and Joe Myers Ford (Secondary Vendor) for repair parts, labor and related items for Ford automobiles and light trucks in the multi-vendor estimated amount of \$115,000 for the term July 1, 2008 through June 30, 2009.

b. **Motion 08.6-369**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve an exemption from the competitive bid requirements for an award to Travis Gossey, M.D. through Baylor College of Medicine for consulting services for Epic Information Systems Foundation Project in the amount of \$122,016 for the term July 1, 2008 through June 30, 2009 with two renewal options subject to execution of the approved agreement.

c. **Motion 08.6-370**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve an exemption from the competitive bid requirements for an award to Texas Children's Hospital for On Call Health Services in the estimated amount of \$500,000 for the term July 1, 2008 through June 20, 2009 with one-year renewal options subject to execution of the agreement.

d. **Motion 08.6-371**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve the purchase of physiological patient monitors (203 ea.) from Philips Medical Systems North America for the amount of \$2,139,324.00.

e. **Motion 08.6-372**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve an award to Baxter BioScience, Grifols Biologicals, Talecris Biotherapeutics and ZLB Behring products distributed through F.F.F. Enterprises, Inc. for plasma and recombinant products program (Immune Globulin IV & Albumin, etc.) in the multi-vendor estimated amount of \$1,900,000 for the term July 1, 2008 through June 30, 2009.

f. **Motion 08.6-373**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve additional funds for Dunbar Armored for armored car service for automated parking collection units in the amount of \$29,672 for the term January 1, 2008 through December 31, 2008. (The Board previously approved funds in the amount of \$75,328 for the term January 1, 2008 through December 31, 2008; these additional funds bring the total amount funded to \$105,000.)

g. **Motion 08.6-374**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve additional funds for FMA Alliance, Ltd. (FMA) for collection services for overdue patient accounts (Primary and Secondary Placements) in the amount of \$600,000 for the term September 1, 2007 through August 31, 2008. (The Board previously approved funds in the amount of \$575,000 for the term September 1, 2007 through August 31, 2008; these additional funds bring the total funded amount to \$1,175,000.)

h. **Motion 08.6-375**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve additional funds for Roche Diagnostics Company for PCR Genotyping System analyzer and reagents in the amount of \$100,800 for the extended term of May 1, 2008 through July 31, 2008. (The Board previously approved funds in the amount of \$537,800 for the term August 1, 2005 through April 30, 2008; these additional funds bring the total funded amount to \$638,600.)

i. **Motion 08.6-376**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve additional funds for Gulf Coast Regional Blood Center for blood products and components in the estimated amount of \$300,000 for the term June 1, 2007 through May 31, 2008. (The Board previously approved funds

in the amount of \$4,888,996 for the term June 1, 2007 through May 31, 2008; these additional funds bring the total funded amount to \$5,188,996.)

j. **Motion 08.6-377**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve additional funds and an extension for Sysmex America, Inc. for hematology analyzers, reagents, consumables and service in the estimated amount of \$149,588 for the extended term of July 1, 2008 through December 31, 2008. (The Board previously approved funds in the amount of \$299,175 for the term July 1, 2007 through June 30, 2008; these additional funds bring the total funded amount to \$448,763.)

k. **Motion 08.6-378**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve funding for year five of a five year contract for Siemens Healthcare Diagnostics Inc. fka Dade Behring, Inc. for chemistry analyzers, lab automation, reagents, consumables and service in the estimated amount of \$1,078,093 for the term July 1, 2008 through June 30, 2009.

l. **Motion 08.6-379**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve funding for year five of a five-year contract for Siemens Healthcare Diagnostics Inc. fka Siemens Medical Solutions Diagnostics for immunochemistry analyzers, lab automation, reagents, consumables and service in the amount of \$912,875 for the term July 1, 2008 through June 30, 2009.

m. **Motion 08.6-380**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve the second of four renewal options for American Medical Equipment Company for home oxygen therapy services in the estimated amount of \$225,000 for the term August 1, 2008 through July 31, 2009.

n. **Motion 08.6-381**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve the third of four renewal options for Iron Mountain Health Information Services for off-site storage and maintenance of financial and assorted business records and retrieval services in the estimated amount of \$140,673 for the term August 1, 2008 through July 31, 2009.

o. **Motion 08.6-382**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve the first of two renewal options for Synthes Craniomaxillofacial (CMF); Stryker Leibinger Craniomaxillofacial; and KLS Martin L.P. for craniomaxillofacial and neurosurgical craniofacial implants in the

multi-vendor estimated amount of \$1,050,450 for the term July 1, 2008 through June 30, 2009.

p. **Motion 08.6-383**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve the second of four renewal options for Texas Medical Center Laundry and Sodexo Services of Texas Limited Partnership for linen processing, cart building and linen distribution in the multi-vendor estimated amount of \$1,963,340 for the term August 1, 2008 through July 31, 2009.

q. **Motion 08.6-384**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve the first of four renewal options for Schindler Elevator Corporation for periodic maintenance and service of elevators/lift equipment in the estimated amount of \$550,280 for the term July 1, 2008 through June 30, 2009.

r. **Motion 08.6-385**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve the second of four renewal options for Philips Medical Systems North America Company for repair services for medical scopes in the estimated amount of \$526,450 for the term August 1, 2008 through July 31, 2009.

s. **Motion 08.6-386**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve the second of four renewal options for IRIS Diagnostics for urinalysis analyzers, reagents, consumables and service in the estimated amount of \$185,640 for the term August 11, 2008 through August 10, 2009.

t. **Motion 08.6-387**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve the third of four renewal options for Roche Diagnostics for PCR/Genotyping System for HIV viral load testing in the estimated amount of \$561,600 for the term August 1, 2008 through July 31, 2009.

u. **Motion 08.6-388**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve the fourth of four renewal options for Siemens Healthcare Diagnostics Inc. fka Siemens Medical Solutions Diagnostics for HIV-1 Genotyping System in the amount of \$162,416 for the term August 1, 2008 through July 31, 2009.

v. **Job 08/0071: Award for Pharmacy Cashiering System – *Wonderwave d/b/a CORE Business Technologies***

This it was pulled.

w. **Motion 08.6-389**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve awards on the basis of best proposals meeting requirements for: (1) DePuy Orthopedics; (2) Smith & Nephew, Inc.; (3) Stryker Howmedica Osteonics; (4) Synthes USA; and (5) Zimmer, Inc. for orthopaedic implants in the multi-vendor amount of \$3,260,000 for the term upon execution for 12 months with two one-year renewal options.

x. **Motion 08.6-390**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve a purchase on the basis of only bid received from Mizuho Orthopedic System, Inc. of a pelvic reconstruction orthopedic fracture table (New/Refurbished) for Ben Taub General Hospital in the amount of \$195,135.00.

y. **Motion 08.6-391**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve payment on the basis of sole source to Texas Medical Center for fees for the Texas Medical Center annual assessment in the amounts of \$82,130 (maintenance of common areas) and \$79,983 (security of common areas) for a total amount of \$162,113.00.

z. **Motion 08.6-392**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve a purchase on the basis of sole source from Hologic, Inc. of three mammography workstations for the amount of \$270,150.00.

aa. **Motion 08.6-393**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board approve a purchase from Advanced Sterilization Products through Johnson & Johnson Health Care Systems of two plasma sterilizing units for the amount of \$347,500.00.

bb. **Motion 08.6-394**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board ratify additional funds and an extension of the contract with KCI USA, Inc. for negative pressure wound therapy (fka vacuum assisted wound closure) in the estimated amount of \$120,000 for the extended term of October 1, 2007 through May 31, 2008. (The Board previously approved funds in the amount of \$1,010,936 for the term April 1, 2006 through September 30, 2007; these additional funds bring the total funded amount to \$1,139,936.)

cc. **Motion 08.6-395**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board ratify additional funds and an extension for LabCorp for reference laboratory testing services in the amount of \$300,000 for the extended term of

April 1, 2008 through September 30, 2008. (The Board previously approved funds in the amount of \$1,275,057 for the term December 11, 2006 through March 31, 2008; these additional funds bring the total funded amount to \$1,575,057.)

dd. **Motion 08.6-396**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board ratify additional funds and an extension for DePuy Orthopaedics, Inc.; Smith & Nephew, Inc., Orthopaedic Division; Stryker Orthopaedics; and Synthes (USA) for orthopaedic implants in the amount of \$200,000 for the extended term of May 1, 2007 through July 31, 2008. (The Board previously approved funds in the amount of \$3,455,000 for the term May 1, 2007 through April 30, 2008; these additional funds bring the total funded amount to \$3,655,000.)

ee. **Motion 08.6-397**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board ratify termination of an agreement with Medical Transcription Corporation for medical transcription services in the estimated amount of \$220,000 for the term October 1, 2007 through September 30, 2008.

ff. **Motion 08.6-398**

Moved by Mr. Jackson, seconded by Mr. Franklin, and unanimously passed, that the Board ratify an award with Huntleigh Healthcare L.L.C. for vascular compression therapy in the estimated amount of \$228,340 for the term June 1, 2008 through May 31, 2009.

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

- a. Transmittal of an award on the basis of lowest proposal received for QuadraMed Corporation for JCAHO/CMS Oryx Core Performance Measurement Reporting in the estimated amount of \$35,500 for the term one year upon execution of agreement with four one-year renewal options.
- b. Transmittal of a purchase on the basis of lowest priced contract from SonoSite, Inc. of ultrasound system in the amount of \$37,879.00.
- c. Transmittal of the fourth of four renewal options for Brink's U.S. for armored car services in the estimated amount of \$63,967 for the term August 1, 2008 through July 31, 2009.
- d. Transmittal of exemption from the competitive bid requirements and the first of two renewal options for Christian D. Eckman, M.D. (Physician Advisor) through Baylor College of Medicine for clinical case management services in the estimated amount of \$80,000 for the term July 1, 2008 through June 30, 2009.

- e. Transmittal of an exemption from the competitive bid requirements and renewal for Baylor College of Medicine for perfusion services in the estimated amount of \$75,000 for the term July 1, 2008 through June 30, 2009.
- f. Transmittal of exemption from the competitive bid requirements and renewal for Baylor College of Medicine for physician services for the employee health clinics in the amount of \$68,000 for the term May 15, 2008 through May 14, 2009.
- g. Transmittal of an award to The University of Texas Health Science Center at Houston for clinical nursing education services in the amount of \$68,670 for the term June 1, 2008 through May 31, 2009 with one-year renewal options, subject to execution of the agreement.
- h. Transmittal of an award on the basis of only bid received for Besam Entrance Solutions for term contract for semi-annual preventive maintenance inspections for automatic doors in the estimated amount of \$26,650 for the term July 1, 2008 through June 30, 2009 with four one-year renewal options.
- i. Transmittal of an award on the basis of only bid received for Stryker Surgical for cordless driver surgical drills and micro drill kits in the amount of \$86,659.00.
- j. Transmittal of an award on the basis of sole source to Hill-Rom for maintenance for WatchChild™ obstetrical patient data management system software in the amount of \$70,121 for the term July 1, 2008 through June 30, 2009.
- k. Transmittal of a purchase on the basis of sole source from VNUS Medical Technologies for radiofrequency therapy generators (VNUS) in the amount of \$25,000.00.
- l. Transmittal of exemption from the competitive bid requirements for Baylor College of Medicine for medical director for the Riverside Dialysis Center in the amount of \$60,000 for the term May 27, 2008 through May 28, 2009.
- m. Transmittal of additional funding for Siemens Healthcare Diagnostics, Inc. (formerly Dade Behring, Inc.) to provide plasma protein testing and related services in the estimated amount of \$47,366 for the term May 1, 2006 through October 31, 2008. (The Board previously approved funds in the amount of \$236,830 for the term May 1, 2006 through October 31, 2008; these additional funds bring the total funded amount to \$284,196.)
- n. Transmittal of additional funds for DynaGene – a LabCorp Company for special reference bone marrow services in the amount of \$44,597 for the term March 1, 2007 through April 30, 2008. (The Board previously approved funds in the amount of \$129,732 for the term March 1, 2007 through April 30, 2008; these additional funds bring the total funded amount to \$174,329.)

- o. Transmittal of additional funds for CA, Inc. f/k/a Computer Associates International for software license agreement for the IBM Mainframe in the amount of \$8,293 for the term April 30, 2008 through April 29, 2009. (The Board previously approved funds in the amount of \$276,440 for the term April 30, 2008 through April 29, 2009; these additional funds bring the total funded amount to \$284,733.)
- p. Transmittal of award for purchase on the basis of lowest priced contract to Medtronic USA, Inc. for external defibrillators (4 ea.) in the amount of \$80,111.00.
- q. Transmittal of purchase on the basis of best contract for Stryker Medical for transport stretchers (10 ea.) in the amount of \$42,421.00.

## **VI. Reports of the Committees**

Mr. DonCarlos called on Ms. Spinks to present agenda items relative to Joint Conference Committee.

### **A. Joint Conference Committee**

#### **1. Motion 08.6-399**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve the June 2008 credentialing changes for members of the HCHD Medical Staff. (Appendix "A").

#### **2. Motion 08.6-400**

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

Mr. DonCarlos called on Mr. Ferdinand Gaenzel to present agenda items relative to Budget and Finance Committee.

### **B. Budget and Finance Committee**

#### **1. Motion 08. 6-401**

Moved by Ms. Truesdell, seconded by Mr. Wortham, and unanimously passed, that the Board accept the May 31, 2008 Financial Report subject to final audit.

#### **2. Motion 08.6-402**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board accept the May 31, 2008 Pension Plan Report subject to final audit.

#### **3. Motion 08.6-403**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board accept the first quarter investment report for the period ended May 31, 2008.

4. **Motion 08.6-404**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board accept an award of \$88,150 as granted by the Department of State Health Services for Breast and Cervical Cancer Control Services for the term July 1, 2008 through June 31, 2009.

5. **Motion 08.6-405**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board of Managers approve HCHD's Final Affiliate Indirect Cost Rate of 25.2% and Independent Indirect Cost Rate of 35.7% for the period March 1, 2007 to February 28, 2008 and Provisional Affiliate Indirect Cost Rate of 26.4% and Independent Indirect Cost Rate of 37.7% for the period March 1, 2008 until amended and approve the execution of an agreement for these negotiated rates with the Department of Health & Human Services.

6. **Consideration of Ratification of an Agreement between the Harris County Hospital District and Baylor College of Medicine to provide a Medical Director for the Riverside Dialysis Center**

Refer to agenda item V. A (2) 1. Professional Service: Award for Medical Director for the Riverside Dialysis Center

7. Presentation of May 2008 Financial Statements of Community Health Choice, Inc.

Mr. Richard Lee presented the May 2008 Financial Statement of Community Health Choice, Inc. Highlights for the month of May include:

- ✓ Net income \$907,031
- ✓ STAR Member months were 8% below budget
- ✓ CHIP Member months were 15% above budget
- ✓ CHIP Perinate Member months were 11% above budget
- ✓ Total Revenue was 12% below budget

Mr. DonCarlos called on Mr. Franklin to present agenda items relative to the Planning and Operations Committee.

**C. Planning and Operations Committee**

**1. Items related to Specialty and Primary Clinics and other Facilities**

a. Ratifications

1. **Motion 08.6-406**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board ratify an amendment under Ryan White Modernization Act Part A between Harris County Hospital District and Harris County to provide medical case management services to eligible HIV-infected individuals who are patients of the Harris County Hospital District in the amount of \$291,460 for the term March 1, 2008 through February 28, 2009.

2. **Motion 08.6-407**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board ratify an amended agreement between the Harris County Hospital District and Harris County to provide medical care to eligible HIV-infected females at District facilities funded under Ryan White Modernization Act Part A in the amount of \$271,800 for the term March 1, 2008 through February 28, 1009.

3. **Motion 08. 6-408**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Harris County to provide primary care and home health care services to eligible HIV-infected patients at District facilities funded under Ryan White Modernization Act Part A in the amount of \$2,658,244 for the term March 1, 2008 through February 28, 2009.

4. **Motion 08.6-409**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board ratify an amended agreement funded by Ryan White Modernization Act Part D between the Harris County Hospital District and Houston Regional HIV/AIDS Resource Group to provide case management and primary care services to eligible HIV-infected women who are patients of the Hospital District, decreasing the original funded amount of \$255,945 to \$253,803, for the term August 1, 2007 through July 31, 2008. (The original funded amount of \$255,945 has been decreased by \$2,412.)

5. **Motion 08.6-412**

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and the Texas Department of State Health Services for Substance Abuse Performance Program for InSight/Screening & Brief Intervention Referrals to Treatment (InSight/SBIRT) for the term October 1, 2007 through September 30, 2008 and acceptance of the fifth year grant funding in the amount of \$1,760,462 and ratify the amendment for the Insight Medical Director change in FTE status from .6 to .5 FTE for current grant year agreement.

b. Agreements

1. **Motion 08.6-410**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve an agreement between Baylor College of Medicine, Houston Independent School District (HISD) and the Harris County Hospital District to maintain a Teen Clinic Program to provide primary care services to children within the geographical boundaries of Harris County,

Precinct Three in the amount of \$150,000 for the term July 1, 2008 through June 30, 2009, renewable for another one-year term.

2. **Motion 08.6-411**

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board approve a Facilities Use Agreement between the Harris County Hospital District and the Depression and Bipolar Support Alliance Greater Houston, a Texas non profit organization, to conduct and facilitate support group meetings to assist participants (eighteen years of age or older) with depression or bipolar disorder for the term July 1, 2008 through June 30, 2009.

2. **Items Related to Personnel**

**Motion 08.6-413**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the first amendment that adds an automatic renewal clause to the Facilities Use Agreement between the Harris County Hospital District and the Houston Municipal Employees Federal Credit Union.

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

a. **Motion 08.6-414**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board of Managers authorize the Hospital District to enter into the 2<sup>nd</sup> term of the 3<sup>rd</sup> amendment to the lease agreement with BNC South Loop Associates, L. P., for 6,225 square feet of additional office space on the 6<sup>th</sup> floor for the period of August 1, 2008 to July 31, 2009. The monthly rate will continue at \$8,429.69 (\$16.25/sq.ft.) for this term. The reserved parking fee will be \$40 per space. Community Health Choice (CHC) will fund the costs associated with the monthly lease payments and reserved parking fees.

b. **Motion 08.6-415**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board of Managers authorize the Hospital District to enter into a new 6 month lease agreement with BNC South Loop Associates, L.P., drafted and approved by the County Attorneys office, for the period of July 1, 2008 to December 31, 2008. The terms of the new agreement will be the same as the current agreement with the exception of the monthly lease rate. Because of the short term of the lease, the current monthly lease rate will increase from \$24,077.96 to \$29,519.92 per month.

c. **Motion 08.6-416**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board of Managers authorize the Hospital District to enter into lease option

1 of the lease agreement with Warehouse Associates for the period of July 1, 2008 to June 30, 2009 at a monthly lease rate of \$4,421.70 (\$0.34/sq. ft.).

d. **Motion 08.6-417**

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board of Managers authorize the Hospital District to enter into the 4<sup>th</sup> term of the lease agreement with BNC South Loop Associates, L.P. for the leasing of approximately 35,700 square feet of space for our Health Maintenance Organization, Community Health Choice (CHC). The 4<sup>th</sup> term is for the period July 1, 2008 to June 30, 2009 at a rate of \$48,170.27 (\$16.16 per sq. ft.) per month. The reserved parking fee will be \$40 per space. Community Health Choice (CHC) will fund the costs associated with the monthly lease payments and reserved parking fees.

e. **Motion 08.6-418**

Moved by Mr. Wortham, seconded by Ms. Spinks, and unanimously passed, that the Board of Managers authorize the Hospital District to enter into a new lease agreement with 5959 Long Drive Investments LLC, drafted and approved by the County Attorney, for the period of August 1, 2008 – July 31, 2010, for the leasing of approximately 9,725 square feet of space for the South Loop Eligibility Center. The terms of the new agreement will remain the same as the current agreement with the exception of an option to cancel the lease after 18 months at a penalty equaling to two months of rental payment. The initial term of the lease is for August 1, 2008 to July 31, 2009 with a monthly payment of \$9,662 (rental rate of \$9,278.97 plus CPI-U of \$383.03) [subject to negotiation of an “out clause”.]

f. **Motion 08.6-419**

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board of Managers approve a water meter easement to the City of Houston for water service for the new Alief Health Center and Southwest Eligibility Center Projects (new facilities) and to forward to Commissioner’s Court the granting order for signature.

Mr. DonCarlos called on Mr. Michael Jhin to present agenda items relative to Audit Committee

**D. Audit Committee**

1. **Motion 08.6-420**

Moved by Mr. Jhin, seconded by Mr. Wortham, and unanimously passed, that the Board approve the HCHD Audit Committee Charter.

2. **Motion 08.6-421**

Moved by Mr. Jhin, seconded by Mr. Wortham, and unanimously passed, that the Board accept the Fiscal Year Ended February 29, 2008 Consolidated Audited

Financial Statements for the Harris County Hospital District subject to a + or - \$10 million dollar difference resulting from the CHC audit inquiry of IBNRs (incurred but not reported) liabilities and retro active premium adjustments.

3. **Motion 08.6-422**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board accept the December 31, 2007 and 2006 401(k) Plan Audited Financial Statements.

4. **Motion 08.6-423**

Moved by Mr. Franklin, seconded by Ms. Truesdell, and unanimously passed, that the Board accept the December 31, 2007 and 2006 Pension Plan Audited Financial Statements.

5. **Motion 08.6-424**

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board accept the Audit Report on Federal and State Award Programs for the Year Ended February 29, 2008.

Mr. DonCarlos called on Ms. Spinks to present agenda items relative to Legislative Committee.

**E. Legislative Committee**

1. Update, Discussion and Possible Action regarding Activities in Austin relating to Regulatory Issues Impacting HCHD, the 80<sup>th</sup> Legislative Session and the HCHD Legislative Platform
2. Update, Discussion and Possible Action regarding Pending Federal Legislative, Line Items and Policy Issues Affecting HCHD

Mr. Hillier reported on the current status of the Iraq War Supplemental Appropriations bill and stated that the Senate is scheduled to vote later in the week on the House version of the bill. He also stated that the one rule eliminated from the seven in the Medicaid moratorium section of the bill would have no or minimal impact on the District, if implemented, and that he and Mary Schneider will keep the board informed of developments.

**VII. Items Related to Policies**

**A. Consideration of Approval of the Harris County Hospital District Revised Patient Search Policy# 4570**

The item was pulled for referral to the Medical Board and will be brought back to the Board at a later date.

**B. Motion 08.6-425**

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve the Harris County Hospital District Smoke-Free Environment Policy,

which designates all HCHD facilities as a smoke-free environment, effective September 1, 2008.

## **VIII. Miscellaneous Agenda Items**

### **A. Motion 08.6-426**

Moved by Ms. Truesdell seconded by Mr. Franklin, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Alcon Laboratories, Inc. and its affiliate, Falcon Pharmaceuticals, Ltd., to continue participation in the Patient Assistance Program with no cost to the District.

### **B. Motion 08.6-427**

Moved by Ms. Truesdell, seconded by Mr. Franklin, and unanimously passed, that the Board ratify an agreement between the Harris County Hospital District and Bristol-Myers Squibb Patient Assistance Foundation, Inc., to participate in the Bristol-Myers Squibb Patient Assistance Foundation Hospital Outpatient Assistance Program with no cost to the District.

### **C. Motion 08.6-428**

Moved by Mr. Franklin, seconded by Mr. Jackson, and unanimously passed, that the Board authorize the Harris County Hospital District to enter into an affiliation agreement with Texas Southern University, College of Pharmacy & Health Sciences (Drug Information Center for Student Training) for two years with an option for one renewable period of two years.

## **IX. Executive Session**

Mr. Dale Wortham departed the meeting prior to the convening of Executive Session.

At 11:06 A.M., Mr. DonCarlos stated that the Board would go into Executive Session under Section 161.032 of the Texas Health & Safety Code, 160.007 of the Texas Occupations Code and Chapter 551 of the Texas Government Code Section 071 and 072. Mr. DonCarlos stated that the regular meeting of the Board would reconvene at the close of Executive Session.

## **X. Reconvene**

At 1:37 P.M., Mr. DonCarlos reconvened the meeting and asked if there were further input to the agenda.

A. Consultation with the County Attorney regarding Cause No. 2003-42409, *Houston Independent School District v. Russell F. Bonham, Jr. et al.*; in the 234<sup>th</sup> District Court of Harris County, Texas, property is described as being approximately 1.1637 acres of land located in the John R. Black Survey, Abstract No. 134, in Harris County, Texas conveyed to Harris County for the use and benefit of itself, the other taxing units are Houston Independent School District, the Port of Houston Authority, the Harris County Flood Control District, the Harris County Hospital District, the Harris County

Education Department and the City of Houston, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action Regarding this Matter Upon Return to Open Session

**Motion 08.6-429**

Moved by Ms. Truesdell, seconded by Dr. Santos, and unanimously passed, that the Board adopt the following resolution:

**Recitals:**

1. The Houston Independent School District filed a delinquent tax suit in the 234<sup>th</sup> District Court of Harris, County Texas, *Cause No. 2003-42409, Houston Independent School District, et al. v. Russell F. Bonham, Jr. et al.*, in which judgment was entered on the 26<sup>th</sup> day of August, 2005
2. A writ of execution was issued for the judgment and the subject property was offered for sale at a public auction, pursuant to Section 34.01 of the Texas Tax Code, no sufficient bids having been received, the property was conveyed to Harris County for the use and benefit of itself and all other taxing units that established tax liens in the suit; the other taxing units are Houston Independent School District, the Port of Houston Authority, the Harris County Flood Control District, the Harris County Hospital District, the Harris County Education Department and the City of Houston, and the Houston Community College System.
3. The Harris County Hospital District, by and through its Board of Managers, approves and hereby authorizes the conveyance and acquisition of property on Wanda Lane, related to *Cause No. 2003-42409, Houston Independent School District, et al. v. Russell F. Bonham, Jr. et al.* to Harris County. The property is described as being approximately 1.1637 acres of land located in the John R. Black Survey, Abstract No. 134, in Harris County, Texas as described in the deed recorded at County Clerk's File No. D089128, SAVE and EXCEPT approximately 0.1362 acre of land as described in the deed recorded at County Clerk's File No. D832489 in the Official Public Records of Real Property of Harris County, Texas, together with all improvements thereon and all rights and appurtenances pertaining thereto.

NOW THEREFORE, IT IS ORDERED BY THE HARRIS COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS THAT:

**Section 1:** The recitals set forth in this order are true and correct.

**Section 2:** David S. Lopez, President/CEO is authorized to consent for and on behalf of Harris County Hospital District, regarding the conveyance and acquisition of the property described in the above referenced tax suit to Harris County as set out in the attachments hereto and is hereby authorized to join in the conveyance of the property described herein; and

**Section 3:** The Harris County Tax Assessor/Collector is hereby directed to apply Harris County Hospital District's share of the sale proceeds as full and final payment of all amounts owed for the property pursuant to the Judgment.

Mr. Elvin Franklin, Jr., Ms. Mary Spinks and Mr. Dale Wortham departed the meeting prior to this vote.

- B. Consultation with the County Attorney regarding an auto accident on April 16, 2008 between a HCHD Shuttle Bus and 2003 Toyota Highlander owned by William A. Puder, pursuant to Tex. Gov't Code Ann. §551.071 and Possible Action Regarding this Matter Upon Return to Open Session

**Motion 08.6-430**

Moved by Ms. Truesdell, seconded by Dr. Santos, and unanimously passed, that the Harris County Hospital District, by and through its Board of Managers, approve and hereby authorize the settlement of a property damage claim relating to an auto accident on April 16, 2008 in the amount of \$654.74 payable to William Puder, and further authorize David S. Lopez, President/CEO to execute any release of other necessary documents to effect this settlement.

Mr. Elvin Franklin, Jr., Ms. Mary Spinks and Mr. Dale Wortham departed the meeting prior to this vote.

- C. Consultation with the County Attorney regarding a claim by Universal Fidelity, LP against the District, 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. 2008-09044; Isaac Grate, M.D. v. Harris County Hospital District*, in the 164<sup>th</sup> 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.

Mr. Elvin Franklin, Jr., Ms. Mary Spinks and Mr. Dale Wortham were not present during this portion of Executive Session.

- E. Consultation with the County Attorney regarding the Corporate Compliance Department, 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 regarding the Acquisition of Real Property in Connection with the Hospital District's 2015 Strategic Plan, pursuant to Tex. Gov't Code Ann. §551.072 and Possible Action Regarding this Matter Upon Return to Open Session

**Motion 08.6-431**

Moved by Ms. Truesdell, seconded by Dr. Santos, and unanimously passed, that the Board authorize David Lopez, President/CEO to enter into contracts regarding analysis of real property matters under the Hospital District's 2015 Strategic Plan.

G. Report by the Chief Medical Officer regarding Quality of Medical and Health Care, pursuant to Tex. Health & Safety Code Ann. §161.032 and Tex. Occupations Code Ann. §160.007 to Receive Peer Review and/or Medical Committee Report in Connection with the Evaluation of the Quality of Medical and Health Care Services

No action taken.

H. Report by 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 Investigation pursuant to Section 161.032 of the Texas Health & Safety Code

Presented as information only, requiring no action.

## **XI. Adjournment**

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

There being no further business, the meeting adjourned at 1:39 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 24, 2008.

Mr. Stephen DonCarlos, Chair  
Board of Managers

E. Dale Wortham, Secretary

Recorded by Charlaa Hunter &  
Anne McCowan