



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

Thursday, July 30, 2009

Board Room – Administration Building

BOARD MEMBERS PRESENT

Mr. Stephen DonCarlos, Chair
Ms. Carolyn Truesdell, Vice Chair
Mr. Danny Jackson, Asst. Secretary
Mr. Elvin Franklin, Jr. (left at 9:36 a.m.)
Ms. Daisy Stiner
Ms. Mary Spinks
Dr. Atul Varadhachary (10:00 a.m.)

BOARD MEMBERS ABSENT

Mr. E. Dale Wortham, Secretary
Dr. George Santos

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. George Masi, Chief Operating Officer
Mr. Michael Jhin, former HCHD Board of Managers Member
Ms. Vivian Groce, Harris County Assistant Purchasing Agent
Attorney Mercedes Leal, County Attorney's Office
Ms. Peggy Boice, Judge Ed Emmett's Office
Mr. Lester Byrd, Commissioner El Franco Lee's Office
Nikki Caffey, Commissioner Sylvia Garcia's Office
Mr. Mark Fury, Commissioner Steve Radack's Office
Ms. Elizabeth Neal, Commissioner Jerry Eversole's Office (9:25 a.m.)
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 9:02 a.m. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meetings

Motion 09.7-84

Moved by Ms. Truesdell, seconded by Mr. Jackson, and unanimously passed, that the Board approve the minutes of the July 2, 2009 Board of Managers meeting.

III. Hear from Citizens

Mr. Franklin Olson addressed the Board regarding parking prices and the new gold card application process. Mr. Olson thanked the Hospital District for lowering the price of parking at Ben Taub for those that need it and the streamlining of the gold card application. He expressed concern regarding cutbacks in Outreach since it impacts the number of individuals that can be signed up for gold cards on a monthly basis.

Ms. Maggie Thornton addressed the Board and thanked the Hospital District for providing discount parking at Ben Taub.

Ms. Noel Denison addressed the Board regarding the gold card application process. She expressed concern regarding the cutbacks in outreach eligibility for the Spring Branch area. In the past 2-3 months, gold card registration has been cut to once per month with approximately 50 people being served. Prior to this, gold card registration occurred twice per month with approximately 100 people served each time.

Ms. Martha Macris addressed the Board regarding the gold card application process. Memorial Assistance Ministries serves approximately 27,000 unduplicated clients per year. Gold card registration is one of the offerings provided in assistance with the Hospital District. She stated that 77-100 people line up once per month to get a gold card and the demand has not decreased. She also expressed concern regarding the literacy level on the applications. Mr. Lopez stated that the situation at this location will be evaluated and follow-up will be provided to the Board.

Ms. Fadine Roquemore addressed the Board, stating that the annual meeting for MLK Health Center will be held on Tuesday, August 4 at 3:00 p.m. in the Quentin Mease Cafeteria.

IV. Special Presentation

Mr. Don Carlos made a special presentation to Mr. Michael Jhin, former Hospital District Board member. Mr. Jhin served with distinction and honor, and his positions were always well thought out. Mr. Don Carlos stated that he appreciated Mr. Jhin's friendship and level of expertise. The Board expressed gratitude for his time spent with the Hospital District.

Mr. DonCarlos announced that the Board will take agenda item IX.B., consideration of the evaluation of the President/CEO, out of Executive Session and address it out of order. An Executive Session was held on this matter and a report was received from the CEO Evaluation Ad Hoc Committee.

V. Consideration of Approval of Recommendations and Acceptance of Agenda Items Identified as Consent Agenda Items

Motion 09.7-86

Moved by Mr. Franklin, seconded by Ms. Stiner, and unanimously passed, that the Board approve items V.A – V.R.

Ms. Stiner requested clarification on agenda item A(1)uu. Ms. Cloyd stated that most of these positions fall into categories such as OR Techs, Psych Techs, and other ancillary

positions that allow the District to expand operative capacity. Ms. Stiner asked if \$2 million was spent last year. Ms. Pamela Russell stated that less than \$1 million was used.

Ms. Stiner addressed agenda item V.B, stating that there has been discussion regarding bringing these services in-house. Mr. Okezie stated that a cost analysis was done and bringing these services in-house would cost approximately \$2 million more than the current contract. Ms. Stiner asked if this evaluation was available to the Board. Mr. Okezie stated that this information will be submitted to Board members. Mr. Franklin stated that it has been requested that Mr. Okezie and Mr. Masi gather information effective immediately to see if it would be best to bring this project in-house. He stated that he supported renewing the final year of the contract, but that there must be due diligence to gather information and receive input from all Board members. Ms. Truesdell asked if there was a timeline to receive the information. Mr. Okezie stated that the contract expires in July 2010 and services must go out for bid no later than January or February 2010. Mr. Masi stated that this will be put on the agenda for a forthcoming Board meeting. Discussion ensued. Mr. Franklin stated that this issue will be looked at very carefully.

Motion carried.

A. Items related to Purchasing

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

- a. exemption from competitive bid requirements for Navigant Consulting, Inc. (Jerry Chang, Mark Crites, Lorena Redding, Deborah Kling, Joshua Harris, Maria Palomo, Naoman Malik, David Burik, Andrew Mazurek, Mark Brazitis, Tara Tesch, Phil Debauzzi, Gretchen Speakman, and Steve Rebarcak) to provide assessment services to assist the Hospital District in strategic and transaction planning for an estimated \$340,000 for the term August 1, 2009 through July 31, 2010.
- b. exemption from the competitive bid requirements and renewal for John W. Riggs, M.D. through University of Texas Health Science Center at Houston for consulting services for Epic Clinical Project in the amount of \$201,980 for the term September 1, 2009 through August 31, 2010.
- c. exemption from the competitive bid requirements and the second of three renewal options for Pinnacle Health Facilities XV, L.P. dba Briarwood Nursing and Rehabilitation for nursing home care for patients of the Hospital District in the estimated amount of \$120,000 for the term September 1, 2009 through August 31, 2010.
- d. additional funds and purchase for Philips Medical Systems, NA Company (PP-MM-061) for physiological monitoring systems in the amount of \$2,524,584 (current and future equipment purchases).
- e. WITHDRAWN

- f. additional funds and extension for Roche Diagnostics for PCR/Genotyping System for HIV Viral Load Testing for the Hospital District in the amount of \$280,800 for the term August 1, 2009 through January 31, 2010.
- g. additional funds and extension for Emdeon Business Services (formerly Medifax-EDI®, LLC) for patient insurance verification software tool (patient benefit eligibility verification and pre-registration system) for the Hospital District in the amount of \$300,000 for the extended term September 1, 2009 through August 31, 2010.
- h. additional funds and extension for Siemens Medical Solutions (formerly Bayer Healthcare LLC, Diagnostics Division) for HIV-1 Genotyping System in the amount of \$153,900 for the extended term August 1, 2009 through January 31, 2010.
- i. award on the basis of lowest priced contract for GE Medical Systems for ultrasonic scanning systems (3 ea.) in the amount of \$300,000.
- j. award on the basis of lowest priced contract for Medela, Inc. (\$11,564) and Evenflo Company, Inc. (\$106,618) for breast pump equipment and accessories in the multi-vendor estimated amount of \$118,182 for the term July 1, 2009 through June 30, 2010.
- k. award on the basis of lowest priced proposals meeting specifications for Adil Business Systems, Inc., Computer Task Group, Inc. (CTG), Elite Computer Consultants, L.P. dba ECOM, Holland & Davis, LLC, Idea Integration Corp., International Business Machines Corporation (IBM), Nimble Services, Inc., and Onur Ulgen dba Production Modeling Corp (PMC) for information technology consulting/contracting for the term September 1, 2009 through August 31, 2010 with four (4) one-year renewal options.
- l. award on the basis of only proposal received for Legacy Data Access, Inc. for mainframe data hosting services for the term one year upon execution of Agreement with four (4) one-year renewal options.
- m. award on the basis of sole source for AxoGen, Inc. through Stryker Corporation for AVANCE™ Nerve Grafts in the estimated amount of \$159,800 for the term July 1, 2009 through June 30, 2010.
- n. award on the basis of sole source for Philips Healthcare for repair service and maintenance of Skylight Radiology Systems and X-Ray C-Arms in the amount of \$183,780 for the term August 1, 2009 through July 31, 2010.
- o. award on the basis of sole source for McKesson Information Solutions, LLC for maintenance and support for McKesson HealthQuest 2000 software in the amount of \$215,274 for the term June 1, 2009 through August 31, 2009.

- p. award on the basis of sole source for CA, Inc. for software license and e-Health upgrade of the IBM Mainframe in the amount of \$601,200 for a three-year term upon execution of Agreement (subject to fiscal funding each year).
- q. award on the basis of sole source for Hill Rom Company, Inc. for patient bed upgrades (26 ea.) in the amount of \$249,136.
- r. funding for year two of a six-year Agreement for Western Reserve MedTec Services LLC for laparoscopic surgical equipment, support and processing services in the estimated amount of \$1,295,000 for the term September 8, 2009 through September 7, 2010.
- s. funding for year two of a five-year Agreement for Siemens Healthcare Diagnostics Inc., fka Dade Behring Inc. (PP-LA-217) for automated microbial identification and susceptibility analyzers in the amount of \$165,904 for the term September 27, 2009 through September 26, 2010.
- t. funding for year two of a five-year Agreement for Abbott Laboratories, Inc. (PP-LA-236 fka PP-LA-162) for blood gas analyzers for point of care testing in the estimated amount of \$900,000 for the term August 1, 2009 through July 31, 2010.
- u. award on the basis of sole source for Ortho Clinical Diagnostics Div. of Johnson & Johnson, through Cardinal Healthcare for blood bank analyzers, reagents, consumables and service in the estimated amount of \$509,912 for the term November 1, 2009 through October 31, 2010.
- v. award on the basis of best contract for Bio-Rad Laboratories (\$1,485) and Microgenics Corp. through Thermo-Fisher Healthcare (\$128,215) for quality control materials for Hospital District laboratories in the multi-vendor estimated amount of \$129,700 for the term September 1, 2009 through August 31, 2010.
- w. award on the basis of lowest priced contract for Hill Rom Company, Inc. for adult patient beds for Intermediate Care Units at Ben Taub General Hospital (22 ea.) and Lyndon B. Johnson General Hospital (16 ea.) in the amount of \$269,403.
- x. rescind the award for Philips Medical Systems North America for physiological patient monitors (13 ea.) for the Pediatric Intermediate Care Unit at Ben Taub General Hospital in the amount of \$212,593 (original Board Motion 9.1-04).
- y. award for Olympus America, Inc.-Medical Systems Group for surgical and gastrointestinal endoscopy products and video equipment in the amount of \$1,009,968.
- z. award for Philips Medical Systems NA Company for physiological monitors (13 ea.) for Ben Taub General Hospital Emergency Trauma Center and the Adult Intermediate Care Unit expansion in the amount of \$430,161.

- aa. WITHDRAWN
- bb. award on the basis of best contract for Sysmex America, Inc. to provide Sysmex XT1800i hematology analyzers for the Community Health Program Clinics in the estimated amount of \$262,376 for the term one year upon execution of Agreement with four (4) one-year renewal options.
- cc. third of four renewal options for IRIS Diagnostics to provide urinalysis testing for Hospital District patients in the estimated amount of \$224,870 for the term August 11, 2009 through August 10, 2010.
- dd. first of two renewal options for Micrus Endovascular Corporation to provide embolization coils of various length and diameter to be used in neurosurgeries in the estimated amount of \$250,000 for the term October 1, 2009 through September 30, 2010.
- ee. third of four renewal options for Texas Medical Center Laundry and Sodexo Services of Texas Limited Partnership to provide linen processing and distribution services in the multi-vendor estimated amount of \$2,113,413 for the term August 1, 2009 through July 31, 2010.
- ff. first of four renewal options for MedQuist Transcriptions Ltd. To provide medical transcription services for the Hospital District in the estimated amount of \$800,000 for the term July 1, 2009 through June 30, 2010.
- gg. first of two renewal options for Maxim Health Information Services to provide temporary personnel (coders and DRG validation reviewers) on an as needed basis in the estimated amount of \$800,000 for the term August 1, 2009 through July 31, 2010.
- hh. second of three renewal options for Stericycle, Inc. to provide medical waste disposal for various Hospital District buildings in the estimated amount of \$503,646 for the term October 1, 2009 through September 30, 2010.
- ii. third of four renewal options for Linebarger Goggan Blair & Sampson, LLP (LGBS) \$400,000; NCO Financial Systems, Inc. (NCO) \$600,000; and FMA Alliance, Ltd. (FMA) \$1,500,000 to provide collection services for early-out and overdue patient accounts in the multi-vendor estimated amount of \$2,500,000 for the term September 1, 2009 through August 31, 2010 (FMA and NCO) and October 1, 2009 through September 30, 2010 (LGBS).
- jj. first of two renewal options for Nutricia North America (\$500), Mead Johnson & Company (\$5,310), Abbott Nutrition, a division of Abbott Lab. (\$28,949), and Nestle Healthcare Nutrition, Inc. (\$157,168) for infant/adult nutritional disease specific formulas in the multi-vendor estimated amount of \$191,927 for the term August 1, 2009 through July 31, 2010.
- kk. enter into negotiations on the basis of highest overall evaluation for Smith Seckman Reid, Inc. for professional architectural and engineering services for electrical studies and design for the Hospital District.

- ll. increase of the competitive bid and competitive proposal amount to \$50,000 from \$25,000 to correspond with the revision of the law (HB 987).
- mm. ratification of additional funds and an extension for Sysmex America, Inc. (PP-LA-203) for hematology analyzers and reagents in the CHP Clinics in the amount of \$252,469 (estimated for the extended term 1/1/09 through September 30, 2009).
- nn. ratification of additional funds and an extension for Cardinal Health 200 Inc. (Medical/Surgical Distribution PP-DS-027) for prime vendor services for distribution of med-surg and laboratory products in association with the Hospital District Just-In Time (JIT) Program in the amount of \$142,259 (additional funds for the extended term May 1, 2009 through July 31, 2009).
- oo. ratification of additional funds for DePuy Orthopaedics, Smith & Nephew, Inc., Stryker Howmedica Osteonics, Synthes (USA), and Zimmer US, Inc. for orthopaedic implants for surgical procedures at Ben Taub and Lyndon B. Johnson General Hospitals in the amount of \$1,350,000 (additional funds for the term October 1, 2008 through September 30, 2009).
- pp. ratification of the first of four renewal options for Dictaphone, A division of Nuance to provide licensing access, support and maintenance for Powerscribe Speech Recognition System for the Radiology Department in the estimated amount of \$122,640 (previous year \$674,442) for the term May 19, 2009 through May 18, 2010.
- qq. WITHDRAWN
- rr. ratification of the second of four renewal options for Cardinal Health 301, LLC fka Pyxis Corporation for medication and supply automation in the amount of \$641,892 (previous year \$720,288) for the term April 1, 2009 through March 31, 2010.
- ss. ratification of the third of four renewal options for Craven and Plummer, Inc. for the operation of dental facilities for the Hospital District Community Health Program in the estimated amount of \$5,779,463 (previous year \$5,135,889) for the term July 1, 2009 through June 30, 2010.
- tt. ratification of an exemption from the competitive bid requirements for Affiliated Medical Services to provide physician services to individuals under the Demonstration to Maintain Independence and Employment (DMIE) federally funded grant program in the estimated amount of \$500,000 for the term March 1, 2009 through September 30, 2009.
- uu. ratification of award on the basis of low bid for Advanced Health Education dba MEDRelief Staffing, Aureus Medical Group, Favorite Healthcare Staffing, Inc., JWS Health Consultants, Inc. dba UltraStaff, Lead Staffing Corporation, Medical Contracting Services, Inc., Medical Staffing Network, Inc., Omega Rules Professional Nurses, Inc., ProTouch Staffing Inc., Smith & Dean Inc. dba Dean's Professional Services, SunPlus Health

Care Solutions, Inc., TexMed Staffing, LC, and Universal Healthcare to provide qualified non-professional healthcare temporary personnel on an as needed basis in the estimated amount of \$2,000,000 for the term July 1, 2009 through June 30, 2010 with four one-year renewal options.

- vv. ratification on the basis of sole source for Texas Medical Center for security and maintenance assessment for 2009 in the amount of \$173,843.

A (2). Transmittals of Completed Items **(For Informational Purposes)**

- a. transmittal of purchase for Dell Marketing, L.P. (DIR-SDD-890) for Picture Archiving and Communication System (PACS) workstations (3 ea.) and hardware in the amount of \$44,604.
- b. transmittal of exemption from the competitive bid requirements and additional funds for Terry Stukalin through Terry Stukalin Health Care Management Services, Inc. for personnel recruitment of administrative nursing in the amount of \$63,000 (additional funds for the term October 1, 2008 through September 30, 2009).
- c. transmittal of exemption from the competitive bid requirements for Michael Kaszubski and Ron Lijewski through Huron Consulting Services LLC for interim patient financial services quality assurance director in the amount of \$95,000 for the term May 1, 2009 through July 10, 2009.
- d. transmittal of exemption from the competitive bid requirements for Michael Spivey and Jeff Harris through Spivey/Harris Health Policy Group for consultative services relating to the State's Medicaid Disproportionate Share Hospital and Upper Payment Limit (DSH/UPL) Program in the estimated amount of \$65,000 for the term September 1, 2009 through August 31, 2010.
- e. transmittal of exemption from the competitive bid requirements and extension for St. Luke's Episcopal Hospital to provide video-EEG inpatient monitoring services for epilepsy patients in the estimated amount of \$25,000 for the term September 1, 2009 through August 31, 2010.
- f. transmittal of funding for year two of a three year agreement for BioRad Laboratories to provide HIV-1 Western Blot confirmation testing kits in the estimated amount of \$60,000 for the term October 1, 2009 through September 30, 2010.
- g. transmittal of purchase on the basis of sole source for GE Healthcare to provide a Uninterruptible Power Supply (UPS) for the GE Lightspeed CT Scanner for Lyndon B. Johnson General Hospital Radiology Department in the amount of \$55,278.
- h. transmittal of purchase on the basis of sole source for Carl Zeiss Meditec, Inc. through distributor Surgical Solutions, Inc. to provide a motorized track mount that will support the existing Zeiss Microscope located in Ben Taub General Hospital ENT Department in the amount of \$66,130.

- i. transmittal of purchase on the basis of sole source for Premier, Inc. to provide software license and subscription associated with the benchmarking and productivity project in the amount of \$52,500 for the term July 30, 2009 through July 29, 2010 with two one-year renewal options.
- j. transmittal on the basis of sole source for Immucor Gamma for traditional blood bank reagents and products in the estimated amount of \$97,141 for the term August 1, 2009 through July 31, 2010.
- k. transmittal of purchase on the basis of sole source for TRUMPF Medical Systems, Inc. for mounting systems (5 ea.) for physiological monitors in the amount of \$65,732.
- l. transmittal of purchase on the basis of sole source for Aloka for replacement ultrasound probes (3 ea.) for Ben Taub General Hospital Operative Services Department in the amount of \$46,500.
- m. transmittal of additional funds for Xerox Corporation (PP-IT-211) for printers, copiers, facsimiles and facilities management for the Copy Center for the Hospital District in the amount of \$35,000 (additional funds for the term April 1, 2008 through June 30, 2009).
- n. transmittal of purchase on the basis of best contract for Cardinal Health 200 Inc. to provide an automated film coverslipper machine for the Histology Laboratory at Ben Taub General Hospital in the amount of \$46,625.
- o. transmittal of purchase on the basis of best contract for Invivo Corporation for MRI compatible monitoring equipment in the amount of \$73,920.
- p. transmittal of purchase on the basis of low quote for CDW Government, Inc. for Intermec handheld barcode scanners (81 ea.) and hands free stands (263 ea.) in the amount of \$27,003.
- q. transmittal of the fourth and final renewal option for Bio-Rad Laboratories, Inc. for two whole blood analyzers, reagents and consumables for A1c and variant hemoglobin tests in the estimated amount of \$84,000 for the term October 1, 2009 through September 30, 2010.
- r. transmittal of the first of two renewal options for A-1 Personnel of Houston, Inc., Consultants Group International, Inc., David M. Seeley dba The Edge Group, Dynamic Computing Services Corporation, Intuitive Search, Inc., and Search Technology, Inc. to provide permanent placement services for Information Technology positions for the Hospital District in the estimated amount of \$50,000 for the term May 28, 2009 through May 27, 2010.
- s. transmittal of the first of two one-year renewal options for Monogram Biosciences, Inc. for clinically validated tropism assay tests for Hospital District patients in the estimated amount of \$94,080 for the term February 1, 2009 through January 31, 2010.

- t. transmittal of purchase for Cardinal Health Medical Products and Services (PP-NS-427) for bedside procedure trays and needles in the estimated amount of \$79,141 for the term September 1, 2009 through August 31, 2010.
 - u. transmittal of purchase for Smiths Medical ASD (PP-OR-302) to provide temperature monitoring products in the estimated amount of \$66,225 for the term September 1, 2009 through August 31, 2010.
 - v. transmittal of purchase for Sammons Preston Rolyan to provide standard pressure garments for the Hospital District in the estimated amount of \$27,289 for the term July 1, 2009 through June 30, 2010.
 - w. transmittal of purchase on the basis of best contract for Fujifilm Medical Systems USA, Inc. for computed radiography (CR) readers in the amount of \$66,709.
 - x. transmittal of purchase on the basis of best overall contract for Smiths Medical ASD for arterial blood gas kits in the estimated amount of \$29,876 for the term July 1, 2009 through June 30, 2010.
 - y. transmittal of purchase on the basis of low bid for Greater Houston Transportation Company dba Yellow Cab (Options 1 and 2) for transportation services for patients and packages in compliance with Hospital District requirements in the estimated amount of \$75,000.
 - z. transmittal of purchase on the basis of low quote for DIR through Mark III Systems for IBM Tivoli storage subscription and support in the amount of \$65,621 for the term August 1, 2009 through July 31, 2010.
- B. Ratification of the fourth and final renewal option for Sodexo Services of Texas Limited Partnership for housekeeping services in the estimated amount of \$11,719,445 for the term July 1, 2009 through June 30, 2010.
- C. Ratification of an Agreement between the Harris County Hospital District and Craven and Plummer, P.C. to provide On-Site Dental Services to Homeless Individuals in the not-to-exceed amount of \$13,920 in state grant funds for the term February 1, 2009 through August 31, 2009.
- D. Ratification of an Agreement between the Harris County Hospital District and Craven and Plummer, P.C. to provide On-Site Dental Services to Homeless Individuals in the not-to-exceed amount of \$80,672 in state grant funds for the term September 1, 2009 through March 26, 2011.
- E. Ratification of an Agreement between the Harris County Hospital District and Dallas County Hospital District, The Parkland Foundation for Texas/Oklahoma AIDS Education and Training Center under Ryan White Modernization Act, Part F to provide State-of-the-Art Education on Treatment, Training and Consultation and Support to Healthcare Professionals Treating HIV+ Patients in the amount of \$60,800 under the Ryan White Federal CARE Act for the term July 1, 2009 through June 30, 2010.

- F. Ratification of an Agreement between the Harris County Hospital District and Baylor College of Medicine to provide Psychiatry Services Under Ryan White Modernization Act Part A to Eligible HIV-infected Individuals in the not-to-exceed amount of \$229,355.75 under the Ryan White Modernization Act Part A for the term March 1, 2009 through February 28, 2010.
- G. Ratification of an Agreement between the Harris County Hospital District and Baylor College of Medicine to provide Medical Education Director Services Funded by Ryan White Modernization Act, Part F to the AIDS Education Training Center Local Performance Site in the amount of \$15,000 funded by Ryan White Modernization Act for the term July 1, 2009 through June 30, 2010.
- H. Termination of Lease Agreements between the Harris County Hospital District and Hull and Hull, Inc.; BNC South Loop Associates, Warehouse Associates and Bhandara Family Living Trust
- I. Ratification of the Harris County Hospital District's Execution of Estoppel Certificate and Subordination, Non-Disturbance and Attornment Agreement Forms Submitted by American National Insurance Company for a Secured Mortgage Loan Requested by Warehouse Associates Corporate Centre Kirby III, Ltd. for 2 Leased Buildings Totaling Approximately 117,774 Square Feet of Space Located at 9240 & 9250 Kirby Drive, Houston, Texas 77054
- J. Approval to Enter Into a Professional Services Agreement with CLR to provide Professional Civil Engineering and Surveying Services for the Design and Modification, Site Utilities, and Pavement for the Three Streets Abandonment (McGee, Troost & Hoffman) Project for the Lyndon B. Johnson General Hospital West Land in the not-to-exceed amount of \$142,010.
- K. Approval to Enter into a Personal Services Agreement with Mazzetti Nash Lipsey Burch ("M+NLB") to provide Equipment Planning Services for FY 2010 Construction Projects at Designated Facilities throughout the Hospital District in the estimated amount of \$213,000.
- L. Intent to Enter into the Final Term of the Lease Agreement with 5959 Long Drive Investments LLC for Lease Space for the South Loop Eligibility Center at the monthly rate of \$9,662 for the term August 1, 2009 through July 31, 2010.
- M. Intent to Enter into a New Lease Agreement with University Christian Church for 43 Parking Spaces for Additional Parking at Quentin Mease Hospital at the monthly rate of \$1,100 for the term September 1, 2009 through September 30, 2009.

- N. Approval to Enter into the 2nd Option of the Lease Agreement with Kynto Ventures, LLC for the Leasing of Approximately 15,000 Square Feet of Office Space for the Peoples Health Center at the monthly rate of \$19,837.50 for the term October 1, 2009 through September 30, 2010.
- O. Intent to Enter into the 2nd Option of the Lease Agreement with Peterreit Investment, Inc. for approximately 15,232 Square Feet of Space for the E.A. Squatty Lyons Health Center at the monthly rate of \$16,755.20 for the term October 1, 2009 through September 30, 2010.
- P. Award of Contract to Turner Construction for the Build-out of the 5th Floor Physical Therapy Gym Project at Quentin Mease Community Hospital for the total project cost of \$1,507,000.
- Q. Award of Contract to Continental Flooring Company for the Flooring Replacement Project for the 2nd Floor at Lyndon B. Johnson General Hospital and 3rd Floor at Ben Taub General Hospital for the total project cost of \$287,582.40.
- R. Approval of a Modification to the 2009 HCHD Charity Care Program Schedule of Benefits and Service Exclusions to include the use of Hyperbaric Oxygen Treatment for Osteoradionecrosis and GI Capsule Endoscopy

V. Reports of the Committees

The Planning and Operations Committee Report was addressed out of order.

A. Joint Conference Committee

Dr. Peter Doyle presented the credentialing changes for members of the HCHD medical staff.

1. Motion 09.7-87

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve the credentialing changes for members of the HCHD Medical Staff.

Motion carried.

Dr. Peter Doyle presented the Medical Board Report. Ms. Truesdell addressed the report, which states that the Joint Commission has requested a policy be developed to review the no-show appointments. Dr. Doyle stated that a taskforce has been formed to address this issue.

2. Motion 09.7-88

Moved by Ms. Stiner, seconded by Ms. Spinks, and unanimously passed, that the Board accept the Medical Board Report as included in the packet.

Motion carried.

B. Performance Improvement and Patient Safety Committee

Ms. Cloyd gave a presentation regarding the Harris County Hospital District Readiness for Compliance with the New Nursing Staffing Legislation. The new

legislation goes into effect September 1. Research supports the fact that adequate nurse staffing is directly related to positive patient outcome and nurse satisfaction with the practice environment. She stated that the handout provided specifically goes through the legislation. Every hospital in Texas will have a staffing committee made up of those people that take care of the patients. Sixty percent of the members must be bedside nurses. The committee members are compensated for participation and must report to the Board twice per year. Some rules are already followed such as prohibited mandatory overtime and prohibited retaliation for members of the nursing staff bringing forward concerns. Annual reporting is required to the Department of State Health Services. The rules will not be finalized until January 2010 so the nature of all the rules tied to the legislation is unknown at this point. She stated that she would be the one reporting. Ms. Truesdell asked who would chair the committee. Ms. Pamela Russell stated that a staff nurse would chair the committee and she would be the facilitator. Ms. Truesdell asked that the name of the person chairing the committee and the staffing plan be brought back to the Board. Ms. Cloyd stated that she plans to bring this back to the September Board meeting. A copy of the report is available in the permanent record.

C. Budget and Finance Committee

Mr. Gaenzel presented the June 2009 Financial Report. There has been a 10.5% increase in total clinic visits District-wide. Peoples Health Center had a slight decrease in visits, which was due to the clinic being down two providers. Ms. Truesdell addressed the supplemental information, stating that there is now six months of data. It was noted that the length of stay is fairly high. Mr. Webster and his staff are meeting regularly to address length of stay management. Mr. Gaenzel stated that births have increased compared to the previous year. He noted that there were 780 births in June. The number of operating room cases has increased significantly. He commended the hospitals and schools for the work in this area. Emergency visits are up, but there needs to be a focus on Urgent Care for those patients that do not need immediate attention. Discussion ensued. A copy of the report is available in the permanent record.

1. Motion 09.7-89

Moved by Ms. Stiner, seconded by Ms. Spinks, and unanimously passed, that the Board accept the June 2009 Financial Report subject to audit.

Mr. Gaenzel presented the June 2009 Pension Plan Report, noting that it was about 73.8% funded. A copy of the report is available in the permanent record.

2. Motion 09.7-90

Moved by Ms. Spinks, seconded by Ms. Stiner, and unanimously passed, that the Board accept the June 2009 Pension Plan Report subject to audit.

Mr. Ken Janda presented the CHC Financial Report. The financials for June continue to be good with earnings of \$1.4 million and \$11 million year-to-date. He stated that CHC will face a challenge with a 3% revenue decrease from the state. Administrative

and medical expenses are being reviewed to maintain margin. A copy of the report is available in the permanent record.

3. Presentation of the June 2009 Financial Statements of Community Health Choice, Inc.

D. Planning and Operations Committee

1. Motion 09.7-91

Moved by Mr. Franklin, seconded by Ms. Spinks, and unanimously passed, that the Board approve a Memorandum of Understanding By and Between the Harris County Hospital District (HCHD) and Neighborhood Centers Inc. (NCI), a nonprofit, 501(c) (3) for the term August 1, 2009 through July 31, 2010 at no additional cost to the District unless terminated by either party in accordance with the terms of agreement.

Agenda item V.D.2 was pulled from the agenda.

2. Approval of funds needed for improvements and build-out allowance associated with the 4,950 square feet of leased space located on the 1st floor of 2636 South Loop West, Houston, Texas 77054 for the Hospital District's Health Maintenance Organization, Community Health Choice (CHC) in the amount of \$910,000. CHC will fund all costs associated with this build-out.

3. Motion 09.7-92

Moved by Mr. Franklin, seconded by Ms. Stiner, and unanimously passed, that the Board approve the amendment of the lease agreement with South Loop Associates, L.P. (2636 South Loop Building) to vacate 6,225 lease space on 6th floor and lease 18,641 square feet of additional space on the 8th floor for a total of 59,361 square feet of space for our Health Maintenance Organization, Community Health Choice (CHC). The initial term of the agreement will be from August 1, 2009 to July 2010 at an annual rate of \$957,338.63 (includes lease space for 9th, 8th, 7th and 1st floors) payable in equal monthly installments of \$79,219.63 plus a one-time payment of \$6,703.13 for occupying 4,950 square feet on the 6th floor during the month of August 2009 while awaiting occupancy on the 8th floor. CHC will fund all costs associated with the monthly lease payments.

E. Legislative Committee

1. Update, discussion and possible action regarding activities in Austin relating to regulatory issues impacting HCHD, the 81st 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. King Hillier presented the Legislative Committee Report. Discussion ensued regarding DSH funds. He stated that there will be a \$20 billion reduction in DSH over ten years. This will not occur in the House version until 2017 unless there is a trigger (the rate of the uninsured must decrease by 50% before the cuts occur). The

Senate version would not occur until 2015. This could mean a 10%-40% decrease in DSH funds. The Secretary of Health is going to look at the definition of a Dispro Share Hospital to determine what one really is. The Hospital District is working with NAPH and has had good conversations with Rep. Garnet Coleman. Rep. Coleman is on a special committee comprised of 30 state legislators advising The White House. Discussion ensued. Mr. Hillier stated that a document including keys to healthcare reform was sent to the Board for review and information. A meeting is scheduled with Mr. Lopez, Mr. Janda, and Rep. Gene Green next week. He stated that he has met with Sen. Cornyn and a press conference was held at Ben Taub with Sen. Hutchinson. A closed meeting was also held with Rep. Culberson who will reconvene another work group in the next two weeks. The only other issue is health reform tied to Medicaid. The state will pick up the tab after five years. Discussion ensued regarding mental health and undocumented persons.

VII. Miscellaneous Agenda Items

Mr. Masi presented the Policy for Orientation and Continuing Education of Leadership and the Policy for Responsibilities of Leadership for approval. The policies were created to meet Joint Commission requirements. Ms. Truesdell stated that the Board needs to know who the facilitator of the education standards will be. The Hospital District must comply with the policies being developed and approved. Mr. Lopez stated that there are some things that need to be determined such as the best way to send and receive the information (hard copy or electronically). Ms. Spinks questioned the timeline for these policies. Mr. Masi stated that everything will be moved forward quickly now that the policy is in effect. The name of the facilitator and all associated plans will be presented to the Board once determined. Mr. Lopez stated that a plan will be provided within 30 days.

A. Motion 09.7-93

Moved by Ms. Truesdell, seconded by Ms. Spinks, and unanimously passed, that the Board approve the Policy for Orientation and Continuing Education of Leadership and the Policy for Responsibilities of Leadership.

Motion carried.

B. Policy for Responsibilities of Leadership

The Policy for Responsibilities of Leadership was addressed under VII.A. (**Board Motion 09.7-93**)

Mr. Janda stated that Dr. Jose Garcia has agreed to be Secretary of the Board of Directors for Community Health Choice, Inc.

C. Election for the Secretary Position of the Board of Directors of Community Health Choice, Inc.

D. Motion 09.7-94

Moved by Ms. Truesdell, seconded by Ms. Stiner, and unanimously passed, that the Board approve the contract award of \$200,000 between the Harris County Hospital District and the Department of State Health Services for the MCH Prenatal Services for FY2010.

VIII. President/Chief Executive Officer's Report to Include: 1) NCQA Medical Home Designation and 2) Balanced Scorecard

NCQA Medical Home Designation

Dr. Trenchel gave a presentation on the National Committee for Quality Assurance (NCQA) Medical Home Designation. A patient-centered medical home is a practice that provides and coordinates care for patients' total health care needs in a timely, personal manner that achieves measurable high-quality outcomes. The NCQA Recognition Program has nine standards. Each standard is comprised of 2-6 related elements with a total of 10 must-pass elements. Each element is comprised of 3-18 conditions that must be met to achieve levels of compliance. Three levels of recognition have been designed around completion of must-pass elements. Independent self-scoring and assessment tools are included in the recognition process. The nine program elements are access/communication, patient tracking/registry functions, care management, patient self-management support, electronic prescribing, test tracking, referral tracking, performance reporting/improvement, and advanced electronic communications. Ms. Allison Todd has gone through each standard including related elements with center directors to determine current status. Dr. Trenchel reviewed the intent and must-pass elements for each standard. Discussion ensued. The NCQA Recognition Program timeline was presented. A copy of the report is available in the permanent record.

Balanced Scorecard

Ms. Tran Hoang presented the new format for the HCHD Balanced Scorecard. The strategic priorities in the report include provide high quality healthcare, improve access to patient care services, improve patient/physician/employee satisfaction, hire and retain excellent people, and improve financial strength and stability. The performance measures and trending information for each strategic priority were presented. Ms. Truesdell asked if the priorities and measures would change. Ms. Hoang stated that there are a number of items that can be looked at.

IX. Executive Session

At 11:15 A.M., Mr. DonCarlos stated that the Board would go into Executive Session under Section 161.032 of the Texas Health & Safety Code, and Section 160.007 of the Tex. Occupations Code and Chapter 551 of the Texas Government Code Section 071 and 074. Mr. DonCarlos stated that the regular meeting of the Board would reconvene at the close of Executive Session.

X. Reconvene

At 12:01p.m., Mr. DonCarlos reconvened the meeting and stated that no action was taken in Executive Session.

- A. Report by Senior 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 Section 161.032 of the Texas Health & Safety Code

No action taken.

- B. Consideration of the evaluation of the President/CEO, pursuant to Tex. Gov't Code Ann. §551.074 and possible action regarding this matter upon return to open session

This item was discussed earlier in the open meeting.

Motion 09.7-85

Moved by Mr. Jackson, seconded by Ms. Spinks, and unanimously passed, that Mr. Lopez's base salary be immediately increased by \$25,000 and that he be awarded an \$80,000 performance bonus based on his performance this past fiscal year.

Motion carried.

Mr. Don Carlos stated that Mr. Wortham has been asked to retain the ad hoc committee to renegotiate Mr. Lopez's contract over the next 90 day period, and to bring back a new contract with 3-year extension. Dr. Santos has been added as a member to the ad hoc committee. He stated that the Board appreciates what Mr. Lopez has done as CEO and his service to the District.

- C. Consultation with the County Attorney regarding Cause No. 816,923; *Harris County Hospital District v. TexTac Partners I, et al*; in the County Civil 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

No action taken.

- D. Consultation with the County Attorney regarding payment of an administrative penalty imposed by the Texas Department of State Health Services, pursuant to Tex. Gov't Code Ann §551.071 and possible action regarding this matter upon return to open session

Motion 09.7-95

Moved by Ms. Truesdell, seconded by Ms. Stiner, and unanimously passed that the Board approve and ratify a payment of an Administrative Penalty of the sum of \$1,000 imposed by the Texas Department of State Health Services relating to the radiation safety plan for Ben Taub General Hospital, and authorizes the President/CEO on behalf of the District to execute any agreement, release or other necessary documents to effect this settlement.

- E. Consultation with the County Attorney regarding Cause No. 2007-77154; *Novata' Moore v. Harris County Hospital District*; In the 157th 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

Motion 09.7-96

Moved by Ms. Truesdell, seconded by Ms. Stiner, and unanimously passed that the Board approve the settlement related to Cause No. 2007-77154; *Novata' Moore v. Harris County Hospital District*; In the 157th Judicial District Court of Harris County, Texas, by payment of the total sum of \$12,000 and authorizes the President/CEO on behalf of the District to execute any agreement, release or other necessary documents to effect this settlement.

- F. 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.

XI. Adjournment

Moved by Ms. Truesdell, seconded by Ms. Stiner, and unanimously accepted to adjourn the meeting.

There being no further business, the meeting adjourned at 12:03 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 July 30, 2009.

Mr. Stephen DonCarlos, Chair
Board of Managers

Mr. E. Dale Wortham, Secretary

Recorded by Christie Reno