



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

Thursday, August 27, 2009

Board Room – Administration Building

BOARD MEMBERS PRESENT

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

BOARD MEMBERS ABSENT

Ms. Mary Spinks

OTHERS PRESENT

Mr. David Lopez, President & Chief Executive Officer
Mr. George Masi, Chief Operating Officer
Ms. Vivian Groce, Harris County Assistant Purchasing Agent
Attorney Mercedes Leal, County Attorney's Office
Ms. Peggy Boice, Judge Ed Emmett's Office
Ms. Gloria Moreno, Commissioner Sylvia Garcia's Office
Mr. Mark Fury, Commissioner Steve Radack'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 9:02 a.m. and noted that a quorum was present. The attendance was recorded.

II. Approval of Minutes of Previous Meetings

Motion 09.8-97

Moved by Mr. Jackson, seconded by Ms. Truesdell, and unanimously passed, that the Board approve the minutes of the July 30, 2009 Board of Managers meeting.

III. Hear from Citizens

Ms. Christen Caligur addressed the Board regarding the proposed purchase of Memorial Hermann Southwest.

Mr. Peter Acquaro addressed the Board regarding the proposed purchase of Memorial Hermann Southwest.

Mr. Jerry Thompson addressed the Board regarding the proposed purchase of Memorial Hermann Southwest.

Mr. DonCarlos announced that the Board will take agenda item IX.B. out of order (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).

At 9:15 a.m., Mr. DonCarlos stated that the Board would go into Executive Session under Section 161.032 of the Texas Health & Safety Code and 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.

At 9:36 a.m., Mr. DonCarlos reconvened the meeting and stated that no action was taken in Executive Session.

IV. Special Presentation

Mr. DonCarlos stated that the special presentation will be done at the September 24, 2009 meeting.

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

Motion 09.8-98

Moved by Mr. Wortham, seconded by Mr. Franklin, and unanimously passed, that the Board approve items V.A – V.F.

A. Items related to Purchasing

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

- a. approval of a donation from Hologic, Inc. of SecurView (RT)/TechMate Manager System (Computer/Server) in the estimated donation value of \$30,000.
- b. award on the basis of only bid received for Tri-Path Imaging, Inc. for cytology thin-layer slide prep system in the estimated amount of \$396,000 for the term November 1, 2009 through October 31, 2010 with four one-year renewal options.

- c. award on the basis of best contract for Boston Scientific Company (\$268,291) and Cook Medical, Inc. (\$163,941) for gastrointestinal endoscopy products for a total multi-vendor estimated amount of \$432,232 for the term September 1, 2009 through August 31, 2010.
- d. award on the basis of best contracts for Ethicon, Inc./Ethicon Endo-Surgery, Inc., United States Surgical/Covidien, Applied Medical Distribution Corporation, and Teleflex Medical for endomechanical products in the multi-vendor estimated amount of \$2,048,329 for the term September 1, 2009 through August 31, 2010.
- e. award on the basis of best priced contract for Midwest Medical Supply Company for electronic thermometry, physiological monitoring systems and exam room furniture for the Martin Luther King Health Center in the amount of \$295,524.
- f. additional funds and extension for Highlights Electrical for electrical maintenance and services in the amount of \$100,000 for the extended term September 1, 2009 through November 1, 2009 (previously approved \$443,050 for the term September 1, 2008 through August 31, 2009).
- g. additional funds and extension for Siemens Healthcare Diagnostics (fka Dade Behring, Inc.) for hemostasis analyzers, reagents, consumables and services in the amount of \$53,280 for the extended term of May 1, 2009 through October 31, 2009 (previously approved \$319,680 for the term May 1, 2006 through April 30, 2009).
- h. award on the basis of only bid received for Heidelberg Engineering, Inc. for a Fundus Camera with digital imaging module for the Ben Taub General Hospital Eye Clinic in the amount of \$110,550.
- i. award on the basis of only bid received for Edwards Lifesciences LLC for cardiac output monitors (2 ea.) and consumables for the Lyndon B. Johnson General Hospital Post Anesthesia Care Unit (PACU) and Anesthesia/OR Departments in the amount of \$231,000.
- j. award on the basis of low quote for DIR through Delcom Group for Symantec Anti-Virus Software License in the amount of \$103,115 for the term October 1, 2009 through September 30, 2010.
- k. ratification of termination of the agreement for PreCheck, Inc. for pre-employment background screening in the amount of \$205,000 for the term November 1, 2008 through October 31, 2009.

- l. ratification of additional funds and extension for Rad-Link Staffing, Inc. for non-professional temporary healthcare personnel including OR scrub technicians and cardiology technicians until the new vendor's employees have completed testing, training, and orientation in the additional amount of \$200,000 for the extended term of July 1, 2009 through July 31, 2009 (previously approved \$1,900,000 for the term April 1, 2008 through June 30, 2009).
- m. ratification of additional funds and extension for Tri-Path Imaging, Inc. for cytology thin-layer slide preparation system including reagents and supplies in the additional amount of \$160,588 for the term August 1, 2009 through October 31, 2009 (previously approved \$345,500 for the term May 1, 2008 through July 31, 2009).

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

- a. transmittal of purchase for The Advisory Board Company for Advisory Board Memberships in the amount of \$99,500 for the term June 30, 2009 through June 29, 2010 (Marketing & Planning Leadership Council-\$21,750), June 26, 2009 through June 25, 2010 (Nursing Executive Center-\$22,750), and October 31, 2009 through October 30, 2010 (Health Care Advisory Board-\$55,000).
- b. transmittal of purchase on the basis of low quote for McCoy, Inc. for office furniture for school-based clinic in Galena Park in the amount of \$30,316.
- c. transmittal of purchase on the basis of low quote for Jimenez Contract Services for Ben Taub Emergency Center waiting room seating in the amount of \$49,809.
- d. transmittal of purchase on the basis of sole source for Siemens Medical Solutions USA, Inc. for relocation of existing Siemens Mammomat 3000 Mammography System from Lyndon B. Johnson General Hospital to the Strawberry Health Center in the amount of \$29,071.
- e. transmittal of purchase on the basis of sole source for Philips Medical Systems North America Company for repair service for an Excelera Workstation in the amount of \$26,050.
- f. transmittal of award on the basis of only bid received for TRUMPF Medical Systems, Inc. to provide surgical lights for the Martin Luther King Health Center in the amount of \$35,367.
- g. transmittal of purchase on the basis of lowest priced contract for Draeger Medical, Inc. for an MRI anesthesia system for Lyndon B. Johnson General Hospital Anesthesia Department in the amount of \$71,314.

- h. transmittal of the first of two renewal options for NeuroLogica Corporation for maintenance of Computed Tomography (CT) Scanner in the estimated amount of \$35,000 for the term September 30, 2009 through September 29, 2010.
 - i. transmittal of purchase on the basis of best overall bid for CAS Medical Systems, Inc. for cerebral oximetry monitor and consumables in the amount of \$47,125.
 - j. transmittal of purchase on the basis of sole source for Siemens Medical Solutions USA, Inc. for repair services for four CT scanner workstations in the amount of \$75,751.
 - k. transmittal of award on the basis of low bid meeting specification for The Edge Group for recruitment services for Patient Financial Services Directors in the estimated amount of \$55,000 for the term August 13, 2009 through August 12, 2010 with four one-year renewal options.
 - l. transmittal of award on the basis of low bid meeting specifications for Advanced Health Education Center dba MEDRelief Staffing for recruitment services for cytology technologists in the estimated amount of \$50,000 for the term August 13, 2009 through August 12, 2010 with four one-year renewal options.
- B. Approval of a Facilities Use Agreement between Harris County Hospital District and Families Under Urban and Social Attack, Inc., to Provide Group-Level Intervention and Presentation of Social Network (VOICES) Strategy to Eligible HIV-infected Individuals at Thomas Street Health Center at no cost to the District for the term September 1, 2009 through August 31, 2010.
- C. Approval to Rename the “South Loop Eligibility Center” to “Southeast Eligibility Center” upon Completion and Relocation of the Newly Constructed Eligibility Center Located at 3550 Swingle Road, Houston, Texas 77047.
- D. Approval to Grant, Sell, and Convey a 10 ft. x 20 ft. Easement for a Water Meter Easement and Fire Meter Easement on District-Owned Property to the City of Houston for the Construction of the Hospital District’s New Radiation Therapy Diagnostic Imaging & Specialty Clinic Located at 2525 Holly Hall for consideration of \$1.00 per easement, for the total consideration of \$2.00 subject to the District starting construction onsite. (See Appendix “A”)
- E. Approval of a Tiered Benefits Plan Design for the Harris County Hospital District Self-Insured Medical Plan under a Phased in Approach that will initially be tied to the March 1, 2010 self-insured medical plan premium rate schedules.

- F. Authorization of the Chief Financial Officer as Legal Authority to bind Harris County Hospital District to a Contract with the Centers for Medicare and Medicaid Services Coordination of Benefits Contractor for compliance with Section 111 of the Medicare, Medicaid, and SCHIP Extension Act (MMSEA) of 2007.

VI. Reports of the Committees

A. Joint Conference Committee

Dr. Peter Doyle presented the credentialing changes for members of the HCHD medical staff. Discussion ensued regarding licensure. A copy of the report is available in the permanent record.

1. Motion 09.8-99

Moved by Ms. Truesdell, seconded by Mr. Wortham, 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. A copy of the report is available in the permanent record.

2. Motion 09.8-100

Moved by Ms. Truesdell, seconded by Mr. Wortham, and unanimously passed, that the Board accept the Medical Board Report as included in the packet.

Motion carried.

B. Budget and Finance Committee

Mr. Gaenzel presented the July 2009 Financial Report. He stated that total District net revenue is below budget by 2%, but is up compared to the prior year. Ms. Stiner asked what was included in the "other" line item of Non-Operating Revenue. Mr. Gaenzel stated that this would be small items such as revenue from vending machines. Discussion ensued regarding the increase in clinic visits. Ms. Truesdell asked if the increased clinic visits were due to the opening of El Franco Lee Clinic. Dr. Trenchel stated that part of the increased visits is due to El Franco Lee Clinic, but visits to the new health center were already budgeted. There is still some capacity to grow in the adult arena and more on the pediatric side. Mr. Gaenzel noted that El Franco Lee Clinic is expected to have 3,400 visits this month. Dr. Trenchel stated that the clinic could probably see an additional 1,000 visits per month. He noted that there are some patients that have moved from Peoples Clinic to El Franco Lee Clinic, but many are new patients never before seen in District facilities.

Mr. Gaenzel stated that the District is below budget for operating income, and some initiatives are being taken to address this. Discussion ensued regarding productivity

standards. Mr. Lopez stated that a staffing standard will be brought to the Board at the September meeting. He noted that volume has increased, but expenses must be adjusted to accommodate this volume. Ms. Stiner suggested that operational issues be looked into as well. Discussion ensued regarding projected days cash on hand. A copy of the report is available in the permanent record.

1. **Motion 09.8-101**

Moved by Mr. Wortham, seconded by Mr. Jackson, and unanimously passed, that the Board accept the July 2009 Financial Report subject to audit.

Mr. Gaenzel presented the July 2009 Pension Plan Report. The Pension Plan is 76.7% funded as of the end of July. A new financial advisor has been selected and will be brought to the Board in September. A copy of the report is available in the permanent record.

2. **Motion 09.8-102**

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

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

Mr. Ken Janda presented the July 2009 CHC Financial Report. CHC had a good month in July with earnings of \$1.3 million, which is slightly ahead of budget. A decrease in earnings is expected in September. CHC is actively working to reduce administrative expenses to minimize any negative impact. A copy of the report is available in the permanent record.

C. 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. There has not been much change in regards to the specifics of healthcare reform. The passing of Senator Kennedy might have some impact on the timing of any bill. Representatives of the District will be in Washington D.C. the week of September 21 and have been meeting with individuals such as Rep. Al Green, Rep. Gene Green, Rep. Sheila Jackson Lee, Senator Hutchison, and Rep. Ted Poe in the interim. It will be a very busy fall going into the holiday season, and some version of the bill will most likely pass. Discussion ensued regarding the uninsured population. Mr. Hillier stated that the current intent of legislation is to protect the public hospitals and the Secretary of Health is looking at redefining Dispro Share Hospital.

VII. Miscellaneous Agenda Items

Mr. Staley addressed agenda item VII.A, stating that the term should be corrected to July 1, 2009 through June 30, 2010.

A. Motion 09.8-103

Moved by Mr. Wortham, seconded by Ms. Truesdell, and unanimously passed, that the Board amend Board Motion #09.7-80 to accept the award of \$178,750 to the Harris County Hospital District from the Department of State Health Services for Breast and Cervical Cancer Services (BCCS) for FY 2009-2010 to reflect correct term dates of July 1, 2009 through June 30, 2010.

Motion carried.

Ms. Oddo presented agenda item VII.B.

B. Motion 09.8-104

Moved by Mr. Franklin, seconded by Ms. Stiner, and unanimously passed, that the Board approve the acceptance of a \$70,000 donation from the Harris County Hospital District Auxiliary, Inc. through the Harris County Hospital District Foundation for the renovation of the front lobby Concierge Desk at Ben Taub General Hospital for the term August 1, 2009 through March 31, 2010.

Motion carried.

C. This agenda item was pulled from the agenda.

Consideration of Acceptance of Donation of ATEC Biopsy and STX Adaptor by the Harris County Hospital District Foundation

D. This agenda item was pulled from the agenda.

HCHD Foundation Grant and Tangible Gifting Update

VIII. President/Chief Executive Officer's Report to Include: 1) Hurricane Preparedness and 2) Preparing for Health Reform

Hurricane Preparedness

Mr. Staley addressed hurricane preparedness, stating that improvements have been made over the past few years. All incident commands are set up and a new communication program is being used for this hurricane season. The District is fully prepared in the event of a hurricane. There is a requirement from the National Incident Management System (NIMS) that staff be trained in the event of a disaster. There are four different levels of training and anyone in incident command must go through three levels. All supervisors are required to have entry level training. Dr. Santos asked that the Board be sent the link for training.

Preparing for Health Reform

Mr. Lopez addressed preparation for health reform. The issue is in the media and representatives from the District have attended a number of town hall meetings to address preparations. There are 1.2 to 1.5 million uninsured people in Harris County. Some of those individuals who are currently uninsured will get coverage under health reform. However, there will still be up to 500,000 uninsured in the community. This will be a major challenge to the District and costs factors will be reviewed very carefully. There will be a major emphasis on primary care and patient satisfaction scores must stay high in order to maintain patients in the system. There is much work that has to be done and the organization will plan for any changes.

IX. Executive Session

At 10:22 a.m., Mr. DonCarlos 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 and 072. Mr. DonCarlos stated that the regular meeting of the Board would reconvene at the close of Executive Session.

Dr. Santos, Mr. Wortham, and Dr. Varadhachary were not in attendance at the reconvening from Executive Session.

X. Reconvene

At 12:53 p.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.

Item B was addressed separately earlier in the meeting.

B. 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.

C. Consultation with the County Attorney regarding the District's Participation in the Harris County UPL Regional Medicaid Program Pursuant to Tex. Gov't Code Ann. Section 551.071 and Possible Action regarding this Matter Upon Return to Open Session

Motion 09.8-105

Moved by Ms. Truesdell, seconded by Mr. Wortham, and unanimously passed, that the Board adopt a resolution setting forth conditions for the Medicaid Hospital Supplemental Payment Program Certification including our continued participation authorizing our CEO to take whatever action is necessary to execute documents, and stating that the Board did review the certification and adopt the conditions in open meeting and the CEO is authorized to certify the conditions.

Motion carried.

D. Discussion regarding the Acquisition of Memorial Hermann Southwest Medical Facilities pursuant to Tex. Gov't Code Ann. Section 551.072 and Possible Action regarding this Matter Upon Return to Open Session

No action taken.

XI. Adjournment

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

There being no further business, the meeting adjourned at 12:56 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 August 27, 2009.

Mr. Stephen DonCarlos, Chair
Board of Managers

Mr. E. Dale Wortham, Secretary

Recorded by Christie Reno