

# **Texas Health Services Authority**

Texas Hospital Association Headquarters  
1108 Lavaca, Suite 700 Austin, Texas 78701

## **BOARD OF DIRECTORS MEETING**

**THURSDAY, SEPTEMBER 18, 2008**

**10:00 a.m.**

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### **MEMBERS PRESENT**

Manfred Sternberg (Chair), Kathleen Mechler (Vice Chair), Matthew Hamlin (Treasurer), Alesha Adamson (Secretary), Fred Buckwold, Raymond Davis, David Fleegeer, Edward Marx, Dee Porter, Darren Rodgers, Stephen Yurco

### **MEMBERS ABSENT**

Luanne Southern

### **STAFF**

Tony Gilman, Executive Officer, Texas Health Care Policy Council, Office of the Governor  
Stephen Palmer, Governor's Advisor, Texas Health Care Policy Council, Office of the Governor

### **CALL TO ORDER/WELCOME AND INTRODUCTIONS**

Chair Manfred Sternberg called the meeting to order at 10:04 a.m. Chair Sternberg welcomed the board members and guests, and asked Mr. Stephen Palmer to take roll. Chair Sternberg also welcomed Dr. Jose Gonzalez, who is the state's Medical Director for Medicaid/CHIP. He noted that although Dr. Gonzalez is not a member of the board or an ex-officio member by statute, the board certainly appreciated him attending and welcomed his input into the board's discussions.

### **REPORTS, UPDATES AND POSSIBLE ACTIONS**

**Consideration of Administrative Matters Relating to the First Organizational Meeting of the Nonprofit Corporation, Including but not Limited to Adoption of the Articles of Incorporation, Adoption of the Bylaws, Consideration and Election of Officers of the Board of Directors (Vice President, Secretary, and Treasurer, Any Other Officers Deemed Necessary by the Board), and Adoption of a Conflict of Interest Policy**

#### **Certificate of Formation**

Chair Sternberg advised board members that he would like to take up several administrative items, beginning with a briefing on the certificate of formation, before moving on to the information briefings by staff. He then asked Mr. Tony Gilman to brief members on the certificate of formation. Mr. Gilman advised board members that a Texas nonprofit corporation is created by filing a certificate of formation with the Texas Secretary of State in accordance with the Texas Nonprofit Corporation Act (Chapter 22 of the Texas Business Organization Code). He further advised members that the Office of the Governor filed the certificate of formation for the Texas Health Services Authority in April 2008. He noted that the certificate of formation outlines the purpose of a nonprofit corporation and essentially serves as the constitution for the corporation.

Chair Sternberg thanked Mr. Gilman for his presentation. Members discussed the certificate of formation. Chair Sternberg advised members that the board did not need to take any action unless there were any changes the board would like to make to the certificate of formation. The board took no action.

#### Consideration of the Corporation's Bylaws

Chair Sternberg noted that the second administrative item was a review and discussion of the bylaws. He asked Mr. Gilman to brief members on this item. Mr. Gilman informed the board that the bylaws are the rules and procedures for how a nonprofit corporation will operate and be governed. He noted that the bylaws were prepared by the Governor's General Counsel's office and are consistent with other bylaws of nonprofit corporations associated with the Office of the Governor.

Chair Sternberg thanked Mr. Gilman for his presentation. Members discussed the bylaws. Chair Sternberg asked if there was a motion to approve the bylaws as presented to the board. A motion was made by Dr. Fred Buckwold. Mr. Raymond Davis seconded the motion. The motion was approved by a unanimous voice vote.

#### Selection of Officers of the Board of Directors

Chair Sternberg noted that the next administrative item was the election of officers of the board. Chair Sternberg advised members that he would like to nominate Kathleen Mechler to serve as the board's vice president, Alesha Adamson to serve as secretary, and Matthew Hamlin to serve as treasurer. Chair Sternberg accepted a motion from Dr. David Fleeger to select Ms. Mechler as vice president, Ms. Adamson as secretary, and Mr. Hamlin as treasurer. The motion was seconded by Matthew Hamlin. The motion was approved by a unanimous voice vote.

Chair Sternberg thanked the members and asked staff to provide Ms. Adamson with a copy of the minute book. Ms. Adamson confirmed that there was a copy of the certificate of formation and a copy of the adopted bylaws in the minute book.

#### Conflict of Interest Policy

Chair Sternberg advised members that the final administrative item was consideration of a conflict of interest policy. He asked Mr. Gilman to brief members on this item. Mr. Gilman advised members that in future meetings the board would likely be asked to take action to enter into contracts or other transactions with another corporation, person, firm, association, trust or entity. He further advised members that failure to disclose a conflict of interest – or even the appearance of such – could have an adverse impact on the corporation's ability to fulfill its mission. He reviewed the conflict of interest policy prepared by the Governor's General Counsel's office and advised the board that they should adopt the policy and sign a statement affirming that they will comply with the policy.

Chair Sternberg thanked Mr. Gilman for his presentation. He asked for a motion to adopt the conflict of interest policy. Mr. Davis made a motion to approve the conflict of interest policy. Mr. Edward Marx seconded the motion. The motion was approved by a unanimous voice vote. Chair Sternberg thanked the members and asked each member to sign the conflict of interest policy statement and to provide it to Ms. Adamson to be placed in the minute book.

### **Briefing and Discussion of House Bill 1066, 80th Texas Legislature, Relating to Health Information Technology and the Creation of the Texas Health Services Authority**

Chair Sternberg noted that the next item on the agenda was a presentation from Mr. Palmer on House Bill 1066 and the creation of the Texas Health Services Authority. Members discussed the information presented. Chair Sternberg thanked Mr. Palmer for his presentation.

### **Briefing and Discussion of HIT and HIE**

Chair Sternberg noted the next item on the agenda was a presentation from Mr. Palmer on the HIT and HIE strategies being pursued at the national, state, and local levels. Members discussed the information presented. Chair Sternberg thanked Mr. Palmer for his presentation.

### **Briefing and Discussion of State-Level HIT/HIE Options and Activities**

Chair Sternberg advised members that the next item on the agenda was a presentation from Mr. Palmer on state-level HIT/HIE options and activities. Mr. Palmer reviewed several studies that provide an overview of the range of HIT/HIE activities in other states. Members discussed the information presented. Chair Sternberg thanked Mr. Palmer for his presentation.

### **Consideration of Budget**

Chair Sternberg noted that the next item on the agenda was a presentation from Mr. Gilman on the annual operating budget. Mr. Gilman advised members that the Texas Legislature provided no start-up funding, and that the board will need to identify alternative ways to raise the revenue necessary to support the activities of the corporation. Mr. Gilman outlined the anticipated expenses for state fiscal year 2009. He noted that although the Governor's office is providing staff support, it is anticipated that the corporation would ultimately become independent and not be administratively associated with the Office of the Governor. Chair Sternberg thanked Mr. Gilman for his presentation. Members discussed the information presented by staff.

### **Consideration of Work Plan**

Chair Sternberg noted that the next item on the agenda was a briefing from Mr. Palmer on the work plan. Mr. Palmer reviewed a work plan and process document that outlined activities for staff and the board through March 2009. Chair Sternberg thanked Mr. Palmer for his presentation. Members discussed the information presented by staff. Mr. Davis made a motion to approve the work plan. Mr. Fred Buckwold seconded the motion. The motion was approved by a unanimous voice vote.

### **Consideration of Request for Information on Operation and Finance Models for the Texas Health Services Authority**

Chair Sternberg noted that the next item on the agenda was briefing from Mr. Palmer on a request for information (RFI) for potential release and dissemination. Mr. Palmer advised members that the corporation must identify a financially sustainable model of operations in order to advance the goals laid out by the Texas Legislature, and reviewed a RFI to be disseminated to a broad range of stakeholders and participants in the health care and information technology sectors. Chair Sternberg thanked Mr. Palmer for his presentation. Members discussed the proposed RFI and provided additional input to staff. Members also discussed referring all questions about the RFI to staff and asked staff to formalize that policy in writing and provide it to the members of the board. Chair Sternberg asked if there was a motion to approve the RFI. Mr. Davis made a motion to approve the RFI as amended. Mr. Darren Rodgers seconded the motion. The motion was approved by a unanimous voice vote.

**INFORMATION ITEMS**

Chair Sternberg asked Mr. Gilman to provide members with information on the board's meeting schedule for 2008. Members discussed future meeting dates and advised staff to schedule a second meeting on December 4, 2008.

**PUBLIC COMMENT**

The board received public comment from Hank Fanberg, with CHRISTUS Health, and Larry Flournoy with Texas A&M University.

**ADJOURN**

Chair Sternberg asked for a motion to adjourn. A motion was made by Mr. Hamlin and seconded by Mr. Edward Marx. The meeting adjourned at 1:42 p.m.

  
Alesha Adamson, Secretary