Parkland

Board of Managers

Agenda for the ***Board of Managers*** meeting of the Dallas County Hospital District is scheduled for ***Wednesday December 14, 2022 at 12:50 PM (or immediately following HOMES meeting)*** at 5200 Harry Hines Blvd (WISH Building) Dallas, TX 75235, Conference Room 02-175. (If assistance is needed in locating the room, please see the Administration receptionist on the 4th floor, 04-131.) A quorum will be physically present at the location of the meeting. Videoconferencing access is also possible via Webex. That application is available at https://www.webex.com/downloads.html. Teleconferencing access is possible by calling +1-415-655-0001. Both virtual access forms require inputting (meeting number: 2622 464 1897; meeting password: 1234) to join the meeting. The ***Board of Managers*** reserves the right to exercise discretion and may convene in Executive Session as permitted by Texas Government Code §§551.071 (consultation with attorney), 551.072 (deliberations regarding real estate), 551.074 (personnel matters), 551.076 (deliberations regarding security devices or security audits), 551.078 and/or 551.0785 (deliberations by medical committee or by governmental body that administers a public insurance, health or retirement plan regarding individuals' medical or psychiatric records), 551.085 (deliberation by governing board of certain providers of health care services), 551.087 (deliberation regarding economic development negotiations), 551.088 (deliberation regarding test item); Texas Government Code §418.183 (deliberation of information under §§418.175 – 418.182 for purposes of disaster management or disaster planning); Texas Health & Safety Code §161.032 (medical committee or medical peer review committee records, information or reports; and/or medical committee or medical peer review committee proceedings under Tex. Health & Safety Code Chapter 161 and/or Tex. Occ. Code Chapters 151 and 160); and/or as otherwise authorized by law on any item listed below. The ***Board of Managers*** may consider any of the agenda items in open or executive session and may continue the meeting as necessary to accomplish the business at the time and place designated by the Chair to reconvene.

	PAGE	TIME (MIN)	PRESENTER(S)
I. Opening/Call to Order/Declare a Quorum Present/Mission Statement/Opening Remarks ***Advance Wellness | Relieve Suffering | Develop and Educate*** **I CARE** **I**ntegrity **C**ompassion and Collaboration **A**ccountability **R**espect **E**quity			Chair
A. Invocation by Rev. Dr. Elias Lopez			Rev. Dr. Elias Lopez, Southern Methodist University
B. Public Comments Regarding Non-Agenda Items *See public comment registration information and rules at https://www.parklandhospital.com/board-of-managers*			
C. Public Comments Regarding Agenda Items *See public comment registration information and rules at https://www.parklandhospital.com/board-of-managers*			
II. Consent Agenda			
A. Minutes 2022-11-09 Governance, Compliance and Ethics Committee	*4*		Chair
B. Minutes 2022-11-09 Talent Development and Executive Compensation Committee	*8*		
C. Minutes 2022-11-15 Budget & Finance Committee	*13*		
D. Minutes 2022-11-17 Quality of Care & Patient Safety Committee	*20*		
E. Minutes 2022-11-17 Board of Managers	*25*		
F. Minutes 2022-11-29 Facilities Committee	*31*		
G. Approve Investment (Public Funds) Policy, 8311-1-04	*35*		
H. Approve Temporary Privileges – Requirement and Verifications Policy (MSPS-04)	*51*		
I. Approve Flexible Benefits Plan Document	*62*		

		PAGE	TIME (MIN)	PRESENTER(S)
J.	Approve Contracts over $200,000	*107*		
K.	Approve Contract Approval Policy	*126*		
L.	Approve Investment Committee Appointments	*133*		
M.	Approve Investment Officers for Retirement Income Plan	*137*		
N.	Approve DCHD Board Bylaws	*139*		
O.	Approve Medical Executive Committee Resolution for Appointments/Reappointments, Privileges and Staff Status Changes of the Medical Staff and Non-Physician Clinical Providers	*175*		
III.	**Reports Requiring Deliberation(s) or Approval(s)**			
A.	Recognitions	*177*		Chair
B.	Pension Plan: Plan Alternatives	*180*		Rick Humphrey & JD Davis, Milliman
C.	Questions & Discussion Related to Pension Plan: Plan Alternatives	*216*		Chair
D.	CEO Update on System Operations	*217*		Fred Cerise, MD
E.	Questions & Discussion Related to CEO Update on System Operations	*218*		Chair
IV.	**Executive Session** Tex. Gov't Code §§551.074			
A.	Personnel Matters Pertaining to Duties and Responsibilities of Chief Executive Officer	*219*		Chair
B.	Personnel Matters Pertaining to Duties and Responsibilities of Board Members	*220*		Chair
V.	**Executive Session Reference Documents** Tex. Gov't Code §§551.071 Tex. Occup. Code §160.007 Tex. Health & Safety Code §§161.0315 & 161.032			
A.	Medical Executive Committee Credentialing Report	*221*		
B.	Medical Executive Committee Delineation of Privileges Non-Physician Clinical Provider Staff- Pediatrics	*258*		
C.	Medical Executive Committee Delineation of Privileges Psychiatry	*265*		
D.	Medical Executive Committee Delineation of Privileges Teleradiology	*270*		
VI.	**Action Items**			
A.	Board May Take Action on Any Agenda Item(s) Above			Chair
VII.	**Adjourn**			Chair
A.	Closing Remarks			
B.	Call to Adjourn			

Parkland

Invocation

Parkland

Minutes 2022-11-09 Governance, Compliance and Ethics Committee

Parkland

MINUTES

Dallas County Hospital District Board of Managers

Minutes of the Governance, Compliance and Ethics Committee meeting of the Board of Managers of the Dallas County Hospital District, held Wednesday, November 9, 2022, scheduled for 10:30 a.m. in the WISH Building Executive Conference Room (02-175) at Parkland Health and via WebEx. These minutes do not constitute a certified agenda from the meeting.

I. Attendance and Call to Order

Committee Chair Jeff Tillotson, JD, noted that a quorum was physically present and called the meeting to order at 10:39 a.m. Committee member Lisa Sutter attended in-person.

Committee member Ramon Miguez, PE, was not present.

Board Member Attendees Included: Chair Marjorie Petty, JD, and Reina Gonzalez, JD. Elizabeth Palacios, MD, arrived at 11:21 am and Farida Minner, RN, arrived at 11:45 am.

Staff Present (via Webex and in-person) included:

Brad Nitschke, Associate General Counsel
Donna Richardson, EVP & Chief Nursing Executive
Felicia Miller, EVP & Chief Talent Officer
Forrest Stovall, Governance Program Manager (in-person)
Fred Cerise, President & Chief Executive Officer (in-person)
Jennifer Wimberly, Staff Physician-Chair, Institutional Ethics Committee (in-person)
Mary Lea-Holmes, VP Compliance Oversight (in-person)
Melanie Roberts, SVP/Chief Compliance & Ethics Officer (in-person)
Michael Lane, SVP & Chief Quality and Safety Officer
Nneka Egbuniwe, Deputy General Counsel
Pamela Bryant, SVP Chief Supply Chain Officer
Rick Humphrey, EVP & Chief Financial Officer
Saul Cordero, VP & Chief Governance Officer (in person)
Steve Roth, EVP & Chief Legal Officer (in-person)
Vic Summers, SVP/Internal Audit

II. Mission Statement

Committee Chair began the meeting by stating the mission statement:
Advance Wellness | Relieve Suffering | Develop and Educate

III. Public Comments Regarding Agenda Items

No members of the public registered for comments regarding the agenda items.

IV. Conflicts of Interest

After review of the agenda, the Chair noted zero conflicts of interest for Board Members present.

V. Reports Requiring Deliberation(s) or Approval(s)

A. Board Action Plan: Board Succession Planning

The Chair reviewed the Board Action Plan: Board Succession Planning presentation.

First, the Committee discussed Board Member Succession. The Committee reviewed the Board Self Competency results and discussed competency opportunities for the Board. The Committee agreed the following competencies are ideal for future board appointees:

1) Quality of Care & Patient Safety
2) Hospital Operations
3) Building and Construction
4) Accounting and Finance

Next, the Committee discussed Board Officer Succession. The Committee agreed the 2023 Officer Elections should occur at the January 2023 Board of Managers meeting. The Committee also agreed that moving forward, Board Officer Elections should occur at the regularly scheduled Board of Managers meeting in January. The Bylaws will change to reflect this.

Next, the Committee discussed Board Officer eligibility criteria. The Committee agreed to recommend Board approval that Board Officer Nominees should preferably have one year of service on the Board of Managers and be on an unexpired term or eligible for reappointment.

Lastly, the Committee discussed Committee Chair Succession. The Committee agreed that the Board Chair should retain discretion for Committee Chair and committee member appointments as currently stated in the Bylaws.

B. Questions & Discussion Related to Board Succession Planning

The Committee asked questions and received further information related to Board Action Plan: Board Succession Planning.

The Chair motioned to recommended Board approval of Board Succession Planning Recommendations to the Board. Lisa Sutter seconded the motion. The motion passed unanimously.

VI. Executive Session

At 11:16 a.m., the Committee went into executive session to discuss the items on the Executive Session agenda.

Members of management were excused from the discussion of topics as necessary.

A. Institutional Ethics Committee Report

B. Compliance and Ethics Report
   I. Annual Compliance Program Review

C. Attorney-Client Privileged & Confidential Quarterly Report of Open Compliance Reviews

Members of management in executive session attendance included:

Brad Nitschke, Donna Richardson; Felicia Miller; Forrest Stovall; Fred Cerise; Jennifer Wimberly; Mary Lea-Holmes; Melanie Roberts; Michael Lane; Nneka Egbuniwe; Rick Humphrey; Saul Cordero; Steve Roth; and Vic Summers

Committee Chair Jeff Tillotson, JD, adjourned Executive Session and moved into Open Session at 12:06 p.m.

VII. Adjourn

With no further business to discuss, Committee Chair Jeff Tillotson, JD, adjourned the meeting at 12:06 p.m.

SO RECORDED:

Jeff Tillotson, JD Committee Chair	Steve Roth, JD, MPH Assistant Secretary

Parkland

Minutes 2022-11-09 Talent Development and Executive Compensation Committee

Parkland

MINUTES

Dallas County Hospital District Board of Managers

Minutes of the Talent Development and Executive Compensation Committee meeting of the Board of Managers of the Dallas County Hospital District, held Wednesday, November 9, 2022, scheduled for Noon in the WISH Building Executive Conference Room (02-175) at Parkland Health and via Webex. These minutes do not constitute a certified agenda from the meeting.

I. Attendance and Call to Order

Committee Chair Lisa Sutter noted that a quorum was physically present and called the meeting to order at 12:15 p.m. Committee members Farida Minner, RN; Elizabeth Palacios, MD; and Jeff Tillotson, JD, attended in-person.

Committee member John Proctor was not present.

Board Member attendees included: Chair Marjorie Petty, JD; Reina Gonzalez, JD, joined the meeting at 12:36 p.m.

Staff Present (via Webex and in-person) included:

Carolyn Foster, Deputy General Counsel
Daniel Enright, Director Talent Management Analytics
DeLancey Johnson, SVP & Associate Chief Talent Officer
Donna Richardson, EVP & Chief Nursing Executive
Edmundo Castañeda, EVP & Chief Operating Officer
Felicia Miller, EVP & Chief Talent Officer (in-person)
Forrest Stovall, Governance Program Manager (in-person)
Fred Cerise, President & Chief Executive Officer (in-person)
Pamela Bryant, SVP Chief Supply Chain Officer
Rick Humphrey, EVP & Chief Financial Officer
Saul Cordero, Chief Governance Officer (in-person)
Sharon Chisholm, Administrative Director, OTM Strategic Operations
Shauntee Mayfield, VP & Chief Experience Officer
Stacy Dorsey, SVP & Chief Workforce Officer/Talent Acquisition
Stephanie Speights, SVP Talent Mgmt Development
Steven Roth, EVP & Chief Legal Officer (in-person)
Sean Gorman, Manager, OTM Communications
Vic Summers, SVP Internal Audit

II. Mission Statement

Committee Chair began the meeting by stating the mission statement:
Advance Wellness | Relieve Suffering | Develop and Educate

III. Public Comments Regarding Agenda Items

No members of the public registered for comments regarding the agenda items.

IV. Conflicts of Interest

After review of the agenda, the Chair noted zero conflicts of interest for Board Members present.

V. Reports Requiring Deliberation(s) or Approval(s)

A. Office of Talent Management Introduction

Felicia Miller reviewed the environmental landscape Parkland has been working against during the past year. Some challenges include inflation, economic pressures, fatigue and high turnovers driven in part by agencies with high compensation which created the opportunities for Parkland to step up and be competitive in our market and attentive to our staffs needs as well as provide high quality patient care. She noted we were able to avoid all the negative impacts on healthcare. She reported the ongoing efforts of Parkland's commitment to always be an employer of choice.

The Committee members asked questions and received additional information related to the Office of Talent Management Introduction.

B. Recruitment

Felicia Miller reported on the key challenges facing recruitment efforts. Market competitive pay shifting quickly and competition in the DFW market for higher pay are two of the biggest challenges. Solutions for these were sign-on incentives, paid relocation, competitive pay, and recruitment outside of Parkland. Next, she reviewed recruiting metrics. She reported two consecutive years of record-breaking hiring volume. The vacancy rate increased to 15.1% which is above prior year and the regional benchmark. Turnover rates improved in Q4 but remained above prior year and benchmarks. Overall, turnover rates have outpaced recruitment efforts which will require continued focus on retention and recruitment in FY23. Next, she reported on 2023 ongoing recruitment efforts to increase candidate flow.

The Committee members asked questions and received additional information related to Recruitment

C. Development

Felicia Miller reported on Development. She reported key challenges, solutions and 2022 results. Key highlights are ICARE trainings, leadership development programs, tuition assistance and loan repayment options, and redesigned New Employee Orientation and New Resident programs.

The Committee members asked questions and received additional information related to Development.

D. Total Rewards

Felicia Miller reported on Total Rewards. She reported key challenges, solutions and 2022 results. She highlighted annual market reviews, improved access to employee health services, a new health plan option, and retention initiatives for employees.

The Committee members asked questions and received additional information related to Total Rewards.

E. Engagement

Felicia Miller reported on Engagement. She reported key challenges, solutions and 2022 results. Felicia reviewed employee engagement results from the Press Ganey survey and initiatives developed from the engagement plans. She noted there are opportunities to improve provider engagement scores in 2023.

The Committee members asked questions and received further information related to Engagement.

F. Metrics Review

Dan Enright reviewed the key Talent Management metrics. He noted the variances of each metric to those of DFW Hospital Council and the national benchmarks. Dan noted turnover was higher than the previous year but continued to improve gradually throughout the year and held a consistent downward trend. He noted inflation numbers through September were still over 8% year over year, but the unemployment rate has stayed below 4% for the majority of the last 10 months which has made a difficult context for recruiting and retention. He noted that the post resignation survey results show insufficient pay and work culture were consistent reasons why people have left. Excessive workload has been climbing the list in first year terminations as well as overall.

The Committee members asked questions and received additional information related to the Metrics Review.

VI. Executive Session

At 12:45 p.m., the Committee went into executive session to discuss the items on the Executive Session agenda.

Members of management were excused from the discussion of topics as necessary.

A. Discussion of Duties and Responsibilities of the CEO in Relation to Succession Planning

B. CEO Performance Appraisal Discussion

Members of management in executive session attendance included:

Felicia Miller and Fred Cerise

Committee Chair Lisa Sutter, adjourned Executive Session and moved into Open Session at 1:00 p.m.

VII. Adjourn

With no further business to discuss, Committee Chair Lisa Sutter adjourned the meeting at 1:00 p.m.

SO RECORDED:

_____	_____
Lisa Sutter	Steve Roth, JD, MPH
Committee Chair	Assistant Secretary

Parkland

Minutes 2022-11-15 Budget & Finance Committee

Parkland

MINUTES

Dallas County Hospital District Board of Managers

Budget and Finance
November 15, 2022

Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, November 15, 2022, scheduled for 11:30 a.m. in the WISH Building Executive Conference Room (02-175) at Parkland Health and via WebEx. These minutes do not constitute a certified agenda from the meeting.

I. Attendance and Call to Order

Committee Chair Ramon Miguez, PE, noted that a quorum was physically present and called the meeting to order at 11:31 a.m. Committee members John Proctor and Don O'Bannon, Esq, were present. Committee member Eric G. Bing, MD, PhD, arrived at 11:41 a.m.

Committee member Lisa Sutter was not present.

Board Member attendees included: Chair Marjorie Petty, JD, and Farida Minner, RN.

Staff Present (via Webex and in-person) included:

April Audain VP UT Contracts Administration
Bennie Miller, Manager Supplier Diversity
Donna Richardson, EVP & Chief Nursing Executive
Edmundo Castañeda, EVP & Chief Operating Officer
Felicia Miller, SVP & Chief Talent Officer
Forrest Stovall, Governance Program Manager (in-person)
Fred Cerise, President & Chief Executive Officer (in-person)
Gerry Baker, SVP Revenue Cycle
Guy Toliver, Director Inclusion-Supply Diversity
Joe Longo, SVP Chief Information Officer
Joe Mayer, Treasury Director
John Raish, SVP Support Services
Keri Disney-Story, VP Clinical Finance
Melanie Roberts, SVP & Chief Compliance and Ethics Officer
Nneka Egbuniwe, Deputy General Counsel (in-person)
Pam Bryant, SVP Chief Supply Chain Officer (in-person)
Rick Humphrey, EVP & Chief Financial Officer (in-person)
Saul Cordero, VP & Chief Governance Officer (in-person)
Tabitha Lee, VP Finance/Controller
Vic Summers, SVP Chief Audit Officer

II. Mission Statement

Committee Chair began the meeting by stating the mission statement:
Advance Wellness | Relieve Suffering | Develop and Educate

III. Public Comments Regarding Agenda Items

No members of the public registered for comments regarding the agenda items.

IV. Conflicts of Interest

After review of the agenda, the Chair noted zero conflicts of interest for Board Members present.

V. Reports Requiring Deliberation(s) or Approval(s)

A. Approve Contracts over $200,000

Pam Bryant reviewed the briefing documents for contracts over $200,000. (See Appendix A of these minutes for more specific details on each contract.) Discussion of non-sole source contracts was first. Pam Bryant provided a brief overview of each contract and highlighted the MWBE participation. She noted N4, Castle Business Solutions, is a 100% African American female owned business which is an extension of a current contract to February 2023. Next, Pam reviewed the sole source contracts. She reviewed each contract, providing a summary of the services and MWBE participation. She noted S9, UT Southwestern Medical Center, is a termination of a lease agreement at the Chase building which is a $2.9 million reduction in the contract value.

The Committee asked questions and received further information related to the Contracts over $200,000.

Don O'Bannon, Esq, motioned to recommend Board approval of Contracts over $200,000. John Proctor seconded the motion. The motion passed unanimously.

B. Approve Investment (Public Funds) Policy, 8311-1-04

Rick Humphrey presented the Investment Policy for approval. He noted the only proposed change is the 'doing business as' name change to Parkland Health.

The Committee asked questions and received further information related to the Investment Policy.

Don O'Bannon, Esq, motioned to recommend Board approval of Investment (Public Funds) Policy, 8311-1-04. John Proctor seconded the motion. The motion passed unanimously.

C. Approve Investment Officers

Rick Humphrey presented the annual resolution for Investment Officers for approval.

The Committee asked questions and received further information related to the Investment Officers' authority and ability to manage investments.

Don O'Bannon, Esq, motioned to recommend Board approval of Investment Officers. John Proctor seconded the motion. The motion passed unanimously.

Committee member John Proctor left the meeting at 11:47 am.

D. Parkland Financial Performance Presentation

Rick Humphrey reviewed the financial results for October 2022 and discussed significant performance variances.

For the month of October, Parkland Health recognized a net income equivalent to budgeted net income and an unfavorable change of ($6.6M) compared to the prior year net income of $6.6M.

Parkland Health's operating margin and operating cash flow margin for the month of October are (2.0%) and 1.6%, respectively. The operating margin unfavorable compared to budget of (0.8%) and the operating cash flow margin is also unfavorable compared to budget of 2.8%. Parkland Health's operating margin is unfavorable compared to the prior year operating margin of 3.1% and unfavorable to the operating cash flow margin of 6.5% from the prior year.

Parkland Health's patient cash collections in October were $70.8M which is below budget by ($21.0M) and ($10.8M) lower than the prior year. Parkland Health's days cash on hand of 187 days for the month is an increase of 30 days compared to prior month of 157 days and greater compared to the prior year October of 165 days, an increase of 22 days.

Rick Humphrey reviewed the income statement for October 2022 noting the variances to budget: Net Patient Revenues and Supplies. Cash collections in October are unfavorable for prior months' charges, not charges incurred in October. Overall, Parkland was favorable to budget for Operating Expenses. Adding in the health plan, Rick noted that higher volumes resulted in a favorable variance to budget due to increased premiums. For the month of October, Parkland is approximately $2 million favorable to budget for Total Net Income.

The Committee asked questions and received further information related to the Financial Performance Presentation.

The Committee asked questions and received further information related to the impact of respiratory viruses (COVID, influenza, and RSV) impacting hospital operations.

Lastly, Rick reviewed the Key Metrics for the system. Rick noted the negative variances to budget.

The Committee asked questions and received further information related to the Key Metrics.

VI. Adjourn

With no further business to discuss, the Committee Chair adjourned the meeting at 12:15 p.m.

SO RECORDED:

Ramon Miguez, PE Committee Chair	Steve Roth, JD, MPH Assistant Secretary

Appendix A (Contracts Reviewed for Approval)

Item	Page No.	Contract Type	Service or Product	Supplier	Contract Term	Current Contract Approval Amount Request	New Approved Contract Value	Selection Method	Budgeted?	Business Owner / Dept.	MWBE %	MWBE Gender	MWBE Ethnicity
													November 17, 2022
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1	5	Expense	Convenience Store Products and Distribution Services	McLane Express dba The C.D. Harnett Company	12/1/2022 - 11/30/2027	$1,672,000	$1,672,000	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Solomon Melesse, Nutrition Services	0%	N/A	N/A
N2	7	Capital	Volusion E10 Ultrasound System	GE Healthcare	Last Signature - 1 Year	$1,327,549	$1,327,549	GPO Purchase	Yes	Patrick Eaton, Clinical Engineering	0%	N/A	N/A
N3	9	Capital	Masimo Voyager and Intubation Chamber	International Biomedical	Last Signature - 11/25/2023	$668,083	$668,083	GPO Purchase	Yes	Marcus Cooper, Clinical Engineering	0%	N/A	N/A
N4	11	Expense	Mod #10 Mail Services for the Pharmacy	Castle Business Solutions	12/1/2015 - 2/1/2023	$350,000	$4,476,509	Non-Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Carrie Berge, Pharmacy Administration	100%	Black or African American	Female
N5	13	Capital	Cardiosave, Aortic Balloon Pumps	Getinge US Sales	Last Signature - 10/31/2023	$244,094	$244,094	GPO Purchase	Yes	Shika Shakelli, Clinical Engineering	0%	N/A	N/A

Appendix A (Continued)

Item	Page No.	Contract Type	Service or Product	Supplier	Contract Term	Current Contract Approval Amount Request	New Approved Contract Value	Selection Method	Budgeted?	Business Owner / Dept.	MWBE %	MWBE Gender	MWBE Ethnicity
S1	15	Expense	Bond III Reagents IHC	Leica Microsystems, Inc.	Last Signature - 5 Years	$2,542,380	$2,542,380	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Stephanie Nobles, Laboratory	0%	N/A	N/A
S2	17	Expense	Mod to Add Funds Instrumentation and Disposables Da Vinci Robot	Intuitive Surgical	1/14/2020 - 12/30/2024	$1,602,000	$9,413,911	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, OR Administration	0%	N/A	N/A
S3	19	Expense	IHC Antibodies/Stains	BioCare Medical	Last Signature - 1 Year	$1,000,000	$1,000,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tim Lenz, Pathology	0%	N/A	N/A
S4	21	Expense	Spine Products	Stryker Spine	Last Signature - 5 Years	$950,000	$950,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Surgical Services Administration	0%	N/A	N/A
S5	23	Capital	Arctic Sun Stat Temp Management System	Bard Medical Division, C. R. Bard, Inc.	Last Signature - 4 Years	$294,380	$294,380	Sole Source	Yes	Marcus Cooper, Clinical Engineering	0%	N/A	N/A
S6	25	Expense	Myosure & Aquilex Disposables	Hologic Sales and Service, LLC	Last Signature - 2 Years	$209,000	$209,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Perioperative Services Admin	0%	N/A	N/A
S7	27	Expense	Mod to Add Funds Spine Implants	Integra Lifesciences Corporation	1/1/2021 - 12/31/2022	$205,000	$1,105,000	Sole Source Modification	Yes	Cheston Chan, Surgical Services Administration	0%	N/A	N/A
S8	29	Expense	Mod #4 FACS Flow Cytometry Testing Reagents	BD Biosciences	9/26/2018 - 2 Years from Last Signature	$200,000	$1,305,557	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tim Lenz, Pathology	0%	N/A	N/A
S9	31	Expense: Court Approval	Mod #4 Termination of Lease Agreement – Chase Building	University of Texas Southwestern Medical Center (UTSW)	3/1/2016 - 3/31/2023	($2,903,332)	$15,404,221	Sole Source Modification	Yes	Beall Carothers, Planning Design & Construction	0%	N/A	N/A

Parkland

Minutes 2022-11-17 Quality of Care & Patient Safety Committee

Parkland

MINUTES

Dallas County Hospital District Board of Managers

Quality of Care and Patient Safety
November 17, 2022

Minutes of the Quality of Care and Patient Safety Committee meeting of the Board of Managers of the Dallas County Hospital District, held Thursday, November 17, 2022, scheduled for 10:00 a.m. in the WISH Building Conference Room (02-175) at Parkland Health and via WebEx. These minutes do not constitute a certified agenda from the meeting.

I. Attendance and Call to Order

Committee Chair Elizabeth Palacios, MD, noted that a quorum was physically present and called the meeting to order at 10:00 am. Committee member Eric G. Bing, MD, PhD, was present. Board Chair Marjorie Petty, JD, was appointed to the Committee for quorum. Committee members Farida Minner, RN, arrived at 10:04 am and Todd Furniss, JD, arrived at 10:07 am.

Board Member attendees included: Board Chair Marjorie Petty, JD.

Staff Present (via Webex and in-person) included:

Brett Moran, SVP & Chief Medical Information Officer
Dawn Marchetto, SVP Nursing
Donna Hale, Interim VP Nursing Peri-Op
Donna Richardson, EVP & Chief Nursing Executive (in-person)
Edmundo Castañeda, EVP & Chief Operating Officer
Eugene Chu, President of the Medical Executive Committee (in-person)
Felicia Miller, EVP & Chief Talent Officer
Forrest Stovall, Governance Program Manager (in-person)
Fred Cerise, President & CEO (in-person)
Gretchen Blake, VP Quality & Clinical Effectiveness
James Griffin, President Elect of the Medical Executive Committee
Joe Schaffer, UTSW Professor, OB/GYN
Joseph Chang, SVP & Chief Medical Officer
Judy Herrington, SVP Nursing
Julio Ramirez Renteria, Manager, Practice Operations
Kathleen Doherty, Interim VP Surgical Services
Lauren Vice, Staff Physician
Madhuri Sopirala, Physician
Margaret Palmer, VP Professional Medical Affairs
Marjorie Quint-Bouzid, SVP Nursing
Marta Pardo, Psychologist
Melanie Roberts, SVP Chief Compliance & Ethics Officer
Mike Lane, SVP & Chief Patient & Safety Officer (in-person)
Pamela Bryant, SVP & Chief Supply Chain Officer
Rebecca Corona, Associate Director, Integrated Psychology
Richard Humphrey, EVP & Chief Financial Officer
Roberto de la Cruz, EVP & Chief Clinical Officer (in-person)
Saul Cordero, VP & Chief Governance Officer (in-person)

Sherice Glasper, Manager, Nursing
Sobha Fuller, SVP Nursing Population Health
Sri Adusumilli, Director Clinical Quality & Safety Analytics
Steven Roth, EVP & Chief Legal Officer (in-person)

II. Mission Statement

Chair began the meeting by stating the mission statement:
Advance Wellness | Relieve Suffering | Develop and Educate

III. Public Comments Regarding Agenda Items

No members of the public registered for comments regarding the agenda items.

IV. Conflicts of Interest

After review of the agenda, the Chair noted zero conflicts of interest for Board Members present.

V. Executive Session – Quality & Patient Safety Operations Section

At 10:01 a.m. the Committee moved into Executive Session as permitted by the closed meeting exceptions specified on the agenda.

Members of management were excused from the discussion of topics as necessary.

Members of management in executive session attendance included:

Brett Moran, Dawn Marchetto, Donna Hale, Donna Richardson, Edmundo Castañeda, Eugene Chu, Felicia Miller, Forrest Stovall, Fred Cerise, Gretchen Blake, James Griffin, Joe Schaffer, Joseph Chang, Judy Herrington, Julio Ramirez Renteria, Kathleen Doherty, Lauren Vice, Madhuri Sopirala, Margaret Palmer, Marjorie Quint-Bouzid, Marta Pardo, Melanie Roberts, Mike Lane, Pamela Bryant, Rebecca Corona, Richard Humphrey, Roberto de la Cruz, Saul Cordero, Sherice Glasper, Sobha Fuller, Sri Adusumilli, and Steven Roth

In executive session, the Committee received the presentation and reports as specified in the posted agenda.

A. Chief Quality & Safety Officer Report: Executive Quality Committee (EQC) Summary

B. Patient Safety & Clinical Risk
   1. Root Cause Analysis (RCA) Case Reviews

C. Clinical Quality Reports
   1. Vizient Q&A Data Update

2. Department Performance Improvement Committee (PIC)/Clinical Quality Committee (CQC) Annual Presentation
    a. COPC/Population Health PIC
    b. OPC/Ambulatory PIC

D. Report
1. Nursing Report: Magnet Designation

The Committee reviewed all items on the agenda, asked questions and received additional information.

VI. Executive Session: Medical Executive Committee ("MEC")

Eugene Chu, MD, President of the Medical Executive Committee, discussed the items posted on the agenda.

A. Appointments/Reappointments
1. Medical Staff & Non-Physician Clinical Providers to Parkland Health
    a. Credentialing Report
    b. Delineation of Privileges (DoP)
        i. Women's Health APP DoP
        ii. Non-Physician Clinical Provider Staff Oncology DoP

B. Policy Review and Approval
1. Temporary Privileges – Requirement and Verifications Policy (MSPS-04)

The Board asked questions and received additional information.

Members of management in the MEC executive session attendance included:

Brett Moran, Donna Richardson, Edmundo Castañeda, Eugene Chu, Felicia Miller, Forrest Stovall, Fred Cerise, James Griffin, Margaret Palmer, Melanie Roberts, Mike Lane, Roberto de la Cruz, Saul Cordero, and Steven Roth

VII. Executive Session: Chief Quality & Safety Officer (CQSO) One-on-One with Committee

The Committee did not conduct a One-on-One with the CQSO, Dr. Mike Lane.

VIII. Executive Session: Medical Executive Committee President One-on-One with Committee

The Committee did not conduct a One-on-One with the Medical Executive Committee President, Dr. Eugene Chu.

Chair adjourned Executive Session and moved into Open Session at 11:37 am.

IX. Action Items (Open Session)

A. Approve Medical Executive Committee Recommendations

1. Approval of the Appointments/Reappointments, Privileges and Staff Status Changes of the Medical Staff and Non-Physician Clinical Providers
    a. Credentialing Report
    b. Delineation of Privileges (DoP)
        i. Women's Health APP DoP
        ii. Non-Physician Clinical Provider Staff Oncology DoP

Todd Furniss, JD, motioned to recommend Board approval of the Appointments/Reappointments, Privileges and Staff Status Changes of the Medical Staff and Non-Physician Clinical Providers. Eric G. Bing, MD, PhD, seconded the motion. The motion passed unanimously.

2. Approval of Policy: Temporary Privileges – Requirement and Verifications Policy (MSPS-04)

Todd Furniss, JD, motioned to recommend Board approval of the Temporary Privileges – Requirement and Verifications Policy (MSPS-04). Eric G. Bing, MD, PhD, seconded the motion. The motion passed unanimously.

X. Adjourn

With no further business to discuss, Committee Chair Elizabeth Palacios, MD, adjourned the meeting at 11:39 am.

SO RECORDED:

Elizabeth Palacios, MD	Steve Roth, JD, MPH
Committee Chair	Assistant Secretary

Parkland

Minutes 2022-11-17 Board of Managers

Parkland

MINUTES

Dallas County Hospital District Board of Managers

Minutes of the Board of Managers meeting of the Dallas County Hospital District, held Thursday, November 17, 2022, scheduled for 12:50 p.m. or immediately following the HOMES meeting in the WISH Building Conference Room (02-175) at Parkland Health and via WebEx. These minutes do not constitute a certified agenda from the meeting.

I. Attendance and Call to Order

Chair Marjorie Petty, JD, noted that a quorum was physically present and called the meeting to order at 12:50 p.m.

Board Member attendees included: Chair Marjorie Petty, JD; Eric G. Bing, MD, PhD; Todd Furniss, JD; Reina Gonzalez, JD; Ramon Miguez, PE; Farida Minner, RN; Elizabeth Palacios, MD; Lisa Sutter. Jeff Tillotson, JD, joined at 3:21 pm.

Board members Don O'Bannon, Esq, and John Proctor were not present.

Staff Present (via Webex and in-person) included:

Blanca Garcia, Strategy & Integration Administrator
Christina Mintner, SVP of Operations Population Health & HOMES
Donna Richardson, EVP & Chief Nursing Executive (in-person)
Edmundo Castañeda, EVP & Chief Operating Officer (in-person)
Edna Ruano, Public Policy Advisor
Felicia Miller, EVP & Chief Talent Officer (in-person)
Forrest Stovall, Governance Program Manager (in-person)
Francesco Mainetti, VP Transformational Initiatives
Fred Cerise, President & Chief Executive Officer (in-person)
Joe Mayer, Treasury Director
Katherine Yoder, VP Government Relations
Margaret Dutton, Strategy & Integration Analyst
Melanie Roberts, SVP Chief Compliance & Ethics Officer
Michael Malaise, SVP Communications and External Affairs
Pamela Bryant, SVP Chief Supply Chain Officer
Paula Denney, Associate General Counsel
Rick Humphrey, EVP & Chief Financial Officer (in-person)
Roberto de la Cruz, EVP & Chief Clinical Officer (in-person)
Samia Zia, Director Strategy & Integration
Saul Cordero, VP & Chief Governance Officer (in-person)
Steven Roth, EVP & Chief Legal Officer (in-person)

Other Attendees:
Jim Griffin, Solid Counsel
Pastor Todd Atkins, Salem Institutional Baptist

II. Mission Statement

The Chair began the meeting by stating the mission statement:
Advance Wellness | Relieve Suffering | Develop and Educate

III. Invocation

Rev. Todd Atkins offered an invocation at the beginning of the meeting.

IV. Public Comments Regarding Agenda Items

No members of the public registered for comments regarding the agenda items.

V. Conflicts of Interest

After review of the agenda, the Chair noted zero conflicts of interest for Board Members present.

VI. Consent Agenda

Minutes 2022-10-12 Facilities Committee

Minutes 2022-10-12 Audit Committee

Minutes 2022-10-25 Budget & Finance Committee

Minutes 2022-10-26 Quality of Care & Patient Safety Committee

Minutes 2022-10-26 Board of Managers

Approve Contracts over $200,000

Approve Investment Officers

Approve Medical Staff Bylaws

Approve Patient Settlements

Approve Medical Executive Committee Resolution for Appointments/Reappointments, Privileges and Staff Status Changes of the Medical Staff and Non-Physician Clinical Providers

Ramon Miguez, PE, motioned for the approval of the Consent Agenda. Reina Gonzalez, JD, seconded the motion. The motion passed unanimously.

VII. Reports Requiring Deliberation(s) or Approval(s)

A. Recognitions

Chair Marjorie Petty, JD, recognized Fred Cerise, Steve Roth, and Melanie Roberts for recent awards. The Chair also recognized Parkland leadership for their efforts in Moody

Outpatient Center earning the LEED Gold Certification from the U.S. Green Building Council and earning Project of the Year from the National Minority Contractors Association.

B. CEO Update on System Operations
Dr. Cerise provided an update on System Operations. He reported on the hospital census, budget variances for October 2022, and key legislative visits.

C. Questions & Discussion Related to CEO Update on System Operations
The Board asked questions and received further information related to the CEO Update on System Operations.

D. Strategic Plan Update – Integrated Healthcare Model
Dr. Cerise provided the Board with an update on the Strategic Plan – Integrated Healthcare Model. He reviewed each objective and key result while providing an update on meeting the key result metrics. The objectives are: 1) Improve coordination of care within the Parkland ecosystem, 2) Develop integrated care models centered around patient needs, and 3) Coordinate and align health plan and delivery system.

E. Questions & Discussion Related to Integrated Healthcare Model Update
The Board asked questions and received further information related to the Integrated Healthcare Model Update.

F. Legislative Agenda
Katherine Yoder provided an update on Texas' 88th Legislative Session. She reviewed the legislative items pertaining to Parkland and healthcare interest: Affordable Health Coverage For All Texans, Investments into Healthcare Workforce Programs, Equitable Hospital Funding, Medicaid Contracts for Public Hospital Districts, Behavioral Health Services, Emergency Detention and Order of Protective Custody Policies, Reproductive Care, Social Determinants of Health, and Health Data Sharing Strategies.

G. Questions & Discussion Related to Legislative Agenda
The Board asked questions and received further information related to the Legislative Agenda.

H. Pension Plan: Board Governance Overview
Saul Cordero provided a Board Governance Overview on the Pension Plan. The presentation - based on the Texas Pension Review Board (PRB) Minimum Educational Training (MET) Program for trustees - provided an overview of the components of a defined benefit plan and pointed out key Board questions and considerations.
Next, Jim Griffin reviewed legal guidelines that should be considered when reviewing options moving forward.

I. Questions & Discussion Related to Pension Plan: Governance Overview

The Board asked questions and received additional information related to the Pension Plan: Board Governance Overview.

J. Pension Plan: Employee Perspective
Felicia Miller provided an overview of employees' perspective regarding the pension plan. She highlighted industry standards, industry trends, and workforce generational data. Felicia also reviewed results from a survey recently sent to Parkland resident nurses evaluating their perception of the supplemental and pension plans.

K. Questions & Discussion Related to Pension Plan: Employee Perspective
The Board asked questions and received further information related to the Pension Plan: Employee Perspective.

L. Approve Board Succession Planning
Jeff Tillotson, JD, provided an overview of the GCEC recommendations for Board Succession Planning:

- Board Member Priority Competencies – Quality of Care & Patient Safety, Hospital Operations, Building and Construction, and Accounting and Finance
- Board Officer Succession – Board Officer Elections will move to the January 25, 2023, meeting and the Bylaws will be amended to move them permanently to the January meeting every two years
- Board Member Eligibility – Board Officer Nominees should preferably have one year of service on the Board of Managers and be on an unexpired term or eligible for reappointment
- Committee Chair Succession – Board Chair should retain discretion for Committee Chair and committee member appointments as currently stated in the Bylaws

Ramon Miguez, PE, motioned for the approval of the Consent Agenda. Todd Furniss, JD, seconded the motion. The motion passed unanimously.

M. Questions & Discussion Related to Board Succession Planning
The Board asked questions and received further information related to Board Succession Planning.

VIII. Executive Session

At 3:43 p.m., the Board went into Executive Session as permitted by the closed meeting exceptions specified on the agenda.

A. Performance Appraisal Discussion: CEO and Board Dual Reports

B. Personnel Matters Pertaining to Duties and Responsibilities of Chief Executive Officer

C. Personnel Matters Pertaining to Duties and Responsibilities of Board Members

Members of management were excused from the discussion of topics as necessary.

Members of management in executive session attendance included:

Felicia Miller and Fred Cerise

Jeff Tillotson, JD, departed at 3:45 pm.

Chair adjourned Executive Session and moved into Open Session at 4:46 p.m.

A. Adjourn

With no further business to discuss, Chair Marjorie Petty, JD, adjourned the meeting at 4:47 p.m.

SO RECORDED:

_____	_____
Marjorie D. Petty, JD	Steve Roth, JD, MPH
Chair	Assistant Secretary

Parkland

Minutes 2022-11-29 Facilities Committee

Parkland

MINUTES
Dallas County Hospital District Board of Managers

Facilities Committee
November 29, 2022

Minutes of the Facilities Committee Development meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, November 29, 2022, scheduled for 12:00 p.m. in the WISH Building Conference Room (02-175) at Parkland Health and via WebEx. These minutes do not constitute a certified agenda from the meeting.

I. Attendance and Call to Order

Committee Chair Don O'Bannon, Esq, noted that a quorum was physically present and called the meeting to order at 12:10 pm. Committee member Todd Furniss, JD attended in-person.

Staff Present (via Webex and in-person) included:

Adriana Hinojosa, Supplier Diversity Program Manager
Andrew Devine, Associate General Counsel
Beall Carothers, Director of Planning, Development & Construction
Bennie Miller, Supplier Diversity Manager
Brad Nitschke, Associate General Counsel
Cody Lee, Facility Program Manager
Edmundo Castañeda, EVP & Chief Operating Officer (in-person)
Forrest Stovall, Governance Program Manager (in-person)
Fred Cerise, President & Chief Executive Officer (in-person)
Guy Toliver, Director Inclusion & Supplier Diversity (in-person)
Ibukun Afon, Administrative Resident
John Raish, SVP Support Services (in-person)
Pamela Bryant, SVP & Chief Supply Chain Officer (in-person)
Rick Humphrey, EVP & Chief Financial Officer (in-person)
Saul Cordero, VP & Chief Governance Officer (in-person)
Steven Roth, EVP & Chief Legal Officer
Vic Summers, SVP Internal Audit

II. Mission Statement

Chair began the meeting by stating the mission statement:
Advance Wellness | Relieve Suffering | Develop and Educate

III. Public Comments Regarding Agenda Items

No members of the public registered for comments regarding the agenda items.

IV. Conflicts of Interest

After review of the agenda, the Chair noted zero conflicts of interest for Board Members present.

V. Reports Requiring Deliberation(s) or Approval(s)

A. Multiple Award Task Order Contract (MATOC) Strategy Discussion

Pam Bryant reported on the Multiple Award Task Order Contract (MATOC). She provided an overview of the current MATOC Construction and A&E program and proposed changes. She reported the intent of the changes are to move MATOC in a different direction by providing opportunities for defined groups of small businesses to work with Parkland.

The Committee asked questions and received further information related to the MATOC Discussion.

B. Facilities Minority and Women-Owned Business Enterprises (MWBE) Report

Guy Toliver presented the MWBE Report. The report included:

- PD&C Project Horizon FY23 Construction Commitments projection of projects and status by ethnicity
- PD&C Project Horizon FY23 A&E Commitments projection of projects and status by ethnicity
- FY21 spend and breakdown for construction and total for each ethnicity Tier 1 & 2
- FY22 through 3rd quarter preliminary numbers
- FY22 through 3rd quarter Tier 2 by ethnicity
- FY22 through 3rd quarter Tier 1 & 2 preliminary numbers

The Committee asked questions and received further information related to the MWBE Report.

C. Status Update for Current Facilities Projects

John Raish reported that JFK has fallen behind schedule due to weather delays with anticipated completion moved to mid-December. He reported Behavioral Health is still on schedule to go-live March 2023 followed by Womens/Peds in May. He also reported Annie's Place is in the design phase.

The Committee asked questions and received further information related to the Status Update for Current Facilities Projects.

D. Old Campus Demolition Update

Edmundo Castañeda provided an Old Campus Demolition Update. He reported engagement with JLL on the cost estimator analysis. He also noted anticipation of a few more weeks of work before there will be something to review.

The Committee asked questions and received further information related to the Old Campus Demolition Update

VI. Adjourn

With no further business to discuss, Committee Chair Don O'Bannon, Esq, adjourned the meeting at 1:11 pm.

SO RECORDED:

_____	_____
Don O'Bannon, Esq Committee Chair	Steve Roth, JD, MPH Assistant Secretary

Parkland

Approve Investment (Public Funds) Policy, 8311-1-04

Approved at Budget & Finance 2022-11-15

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PURPOSE:

It is the policy of the Dallas County Hospital District (the District), d/b/a Parkland Health ~~& Hospital System~~ (~~PHHS~~Parkland), to invest all available hospital operating and bond funds and related reserves in a manner that provides maximum security and the best commensurate yield while meeting the daily cash flow demands of the District and conforming to the legal and administrative guidelines set forth herein. Parkland Community Health Plan, Inc. (PCHP) funds are covered by this Policy, but are managed as separately invested assets.

The purpose of this Investment Policy is to comply with Chapter 2256 of the Texas Government Code (Public Funds Investment Act), which requires each subject entity to adopt a written policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures and practices that must be exercised to ensure effective and judicious fiscal management of the District's funds.

SCOPE:

This Policy shall govern the investment of all hospital operating and bond funds and related reserves under the control of the District. This policy does not cover funds contained within the Parkland Foundation and ~~PHHS~~Parkland employee benefit plans (which are managed pursuant to separate Investment Policies). In order to ensure optimum investment yields and liquidity, the District combines all of its cash, excluding that of bond program funds held in a separate trust relationship, the PCHP, the Parkland Foundation and ~~PHHS~~Parkland employee benefit plans.

POLICY:

1. Investment of the funds covered by this Policy shall be governed by the following investment objectives, in order of priority.

   A. Safety: Safety of principal is the primary objective of the Investment Policy. Investment of the District's funds shall be undertaken in a manner that seeks to ensure the preservation of capital for the overall portfolio. To attain this objective, investment in only high quality securities and diversification are required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

B. Liquidity: The District's investment portfolio shall remain sufficiently liquid to enable the District to meet all operating requirements that might be reasonably anticipated while also seeking maximum yield.

C. Yield: The District's investment portfolio shall be designed with the objective of attaining the best yield, throughout budgetary and economic cycles, commensurate with the District's investment risk constraints and the cash flow characteristics of the portfolio.

2. Investment Officers

A. The District's Board of Managers shall designate by resolution all officers and employees responsible for, and authorized to, manage and invest funds controlled by the District (Investment Officers). The Investment Officers shall be the individuals primarily responsible for investment activity under this Policy. The authority to manage the District's funds is effective until rescinded by the Board of Managers or until termination of the person's employment from the District. A minimum of two Investment Officers shall approve purchases of investment instruments.

B. Investment Officers acting in accordance with this policy and all other applicable laws, are relieved of personal responsibility and liability in the management of the investment portfolio, provided that:

C. The Investment Officer acts in accordance with the standard of prudence described below;

1) The Investment Officer does not act in violation of the ethics and conflict of interest standards contained in this policy;

2) The Investment Officer does not act with reckless disregard, fraud, or intentional misconduct; and

3) Deviations from expectations are reported in a timely fashion to the Board of Managers and appropriate action is taken to control adverse developments.

4) The Board of Managers, at its discretion, may designate an Investment Management Firm which meets industry standards as an Investment Officer in order to manage all, or a portion of, the District's invested funds in accordance with this Policy.

3. Investment Training

   A. Investment Officers are required to attend at least one training session, provided by an independent source, within twelve months of assuming investment-related duties under this Policy. Such training must include education in investment controls, security risks, strategy risks, market risks, diversification, and compliance with the Public Funds Investment Act. After the initial training session, each Investment Officer is required to receive not less than ten hours of related instruction at least once during a two-year period beginning with the first day of the fiscal year and consists of the next two fiscal years after this date. Current approved training providers are:

      1) Government Treasurers' Organization of Texas (GTOT)

      2) Government Finance Officer's Assoc. of Texas (GFOAT)

      3) Center for Public Management, Univ. of North Texas (UNT)

      4) Texas Municipal League (TML)

      5) Virtual Learning Concepts (web-based)

      6) TexPool Academy Online

      7) Texas State University (web-based)

   B. Additional training providers may be approved by the Board of Managers and included in the Investment Policy at the next review.

4. Prudence

   A. The standard of prudence to be applied by Investment Officers shall be the "prudent investor" rule. This rule states that "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived".

   B. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into

consideration the investment of all funds over which the official had responsibility rather than consideration as to the prudence of a single investment.

5. Ethics and Conflicts of Interest

   A. Investment Officers involved in the investment process are to refrain from personal business activity that could conflict with proper execution of the investment process, or which could impair their ability to make impartial investment decisions.

   B. Investment Officers must file a disclosure statement with the Texas Ethics Commission and the District's Board of Managers if:

      1) The Investment Officer has a personal business relationship with a business organization offering to engage in an investment transaction with the District; or

      2) The Investment Officer is related within the second degree by affinity or consanguinity (Immediate Family Member), as determined under Chapter 573 of the Texas Government Code (see attachment), to an individual seeking to transact investment business with the District.

   C. An Investment Officer has a personal business relationship with a business organization if:

      1) The Investment Officer or, their Immediate Family Member, owns 5 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;

      2) Funds received by the Investment Officer or their Immediate Family Member, from the business organization exceed 5 percent of his/her gross income for the previous year;

      3) The Investment Officer, or their Immediate Family Member is, or has been within the last year, an employee, director or officer of the business organization; or

      4) The Investment Officer or their Immediate Family Member has acquired from the business organization, during the previous year, investments with a book value of $2,500 or more for his/her personal account.

Parkland

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6. Authorized Investments

A. District funds governed by this Policy may be invested in the instruments described below, all of which are authorized by the Public Funds Investment Act. Investment of District funds in any instrument or security not authorized for investment under the Public Funds Investment Act is prohibited.

B. An investment that requires a minimum rating under this section does not qualify as an authorized investment during the period the investment does not have the minimum rating. The District (and Investment Officer) shall take all prudent measures consistent with this Policy to liquidate an investment that does not have the minimum rating.

C. Authorized:

1) Obligations, including letters of credit, of the United States of its agencies and instrumentalities.

2) Direct obligations of the State of Texas or its agencies and instrumentalities.

3) Other obligations, the principal and interest of which are unconditionally guaranteed or insured by~~,~~ or backed by the full faith and credit of the State of Texas or the United States or their respective agencies or instrumentalities.

4) Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent.

5) Fully collateralized Certificates of Deposit issued by state or national banks domiciled in this state that are:

a) guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), or its successor; or

b) secured by authorized investments described in 1 – 4 above (which are intended to include all direct federal agency or instrumentality issued mortgage-backed securities) that have a market value of not less than 102% of the principal amount, plus accrued interest, of the certificates, or

in any other manner and amount provided by law for deposits of public entities.

6) Fully collateralized repurchase agreements, provided the District has on file a signed Master Repurchase Agreement which details eligible collateral, collateralization ratios, standards for collateral custody and control, collateral valuation, and conditions for agreement termination and also provided that the repurchase agreement:

   a) has a defined termination date;

   b) is secured by obligations of the United States or its agencies and instrumentalities that have a market value of not less than the principal amount, plus accrued interest, of the repurchase agreement;

   c) requires the securities being purchased by the District to be assigned to the District, held in the District's name, and deposited at the time of the investment is made with the District's custodian or a third-party selected and approved by the District; and

   d) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state.

7) Domestic commercial paper with a stated maturity of 270 days or less which is rated not less than A-1, P-1, or an equivalent rating by two nationally recognized rating agencies.

8) No-load money market mutual funds that are registered with and regulated by the Securities and Exchange Commission that:

   a) have a dollar-weighted average stated maturity of 90 days or fewer;

   b) seek to maintain a stable net asset value of $1 per share; and

   c) have provided the District with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940.

   d) maintain a minimum rating of AAAm or equivalent by at least one nationally recognized rating agency.

9) The Public Funds Investment Act restricts investment in any one mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund.

10) Local Government Investment Pools created under the Interlocal Cooperation Act of Texas and which conform to the requirements set forth in Section 2256.016 of the Public Funds Investment Act that:

a) have a dollar-weighted average stated maturity of 90 days or fewer;

b) seek to maintain a stable net asset value of $1 per share; and

c) have provided the District with a prospectus and other information as appropriate; and

d) maintain a minimum rating of AAAm or equivalent by at least one nationally recognized rating agency.

11) Mortgage pass-through securities directly issued by a Federal Agency or Instrumentality of the United States, including Government National Mortgage Association ("GNMA or Ginnie Mae"), Federal National Mortgage Association ("FNMA or Fannie Mae") or Federal Home Loan Mortgage Corporation ("FHLMC or Freddie Mac"), collectively referred to as "Agency Mortgage Backed Securities" or "Agency MBS." Such eligible Agency MBS securities consist of pools of 15-year and 30-year residential mortgages that are in compliance with criteria established by each of the government sponsored mortgage issuers, including provisions for maximum principal, loan-to-value and borrower credit qualifications. As such, each agency mortgage issuer guarantees the payment of principal and interest to investors in their respective pass-through securities, and the principal due investors is secured by a first lien against the underlying residential properties.

D. Not Authorized:

1) Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.

2) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.

3) Collateralized mortgage obligations.

4) Short sales, margin purchases, or leverage in the portfolio.

5) Option or futures contracts, commodities, or direct real estate investments.

6) Corporate bonds, convertible bonds, or equity shares.

7) Obligations of any foreign banks or other entities issued outside of the United States.

7. Investment Selection

A. It is the policy of the District to require competitive bidding for all individual security purchases and sales except for:

1) Transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates);

2) Treasury and agency securities purchased at issue through an approved broker/dealer or financial institution; or

3) Investments purchased by an Investment Management Firm.

B. At least three bids or offers must be solicited for all other transactions involving individual securities. In situations where the exact security being offered is not offered by other broker/dealers, offers on the closest comparable investment may be used to establish a fair market price for the security.

8. Sale of Securities

A. The District may hold securities to maturity. However, securities may be sold with explicit approval of the VP & Controller, Sr. VP-Finance, or the Executive VP & Chief Financial Officer for purposes of liquidity, safety, or yield enhancement. Investments administered by an Investment Management Firm may be actively traded provided the strategy adds value through issue selection, yield curve structure, convexity, and diversification in order to provide safety of principal and lower portfolio risks.

9. Diversification and Maximum Maturities

A. The District attempts to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the District will not directly invest in:

1) Individual securities maturing more than ten (10) years from the date of purchase.

2) Individual eligible Agency MBS as defined previously herein that exhibit average life characteristics and price sensitivity that exceeds that of a five (5) year security. While each eligible mortgage pool will specify a stated final maturity equal to the last contractual payment date due on the mortgages in the pool, such mortgage pass-through pools exhibit aggregate monthly cash flows that create predictable price volatility or average life / average maturity characteristics significantly shorter than the stated final maturity of the pool. (Example: a 30-year FNMA 6.00% mortgage pool may have a "stated final maturity" of 2035, but exhibit an average maturity of only three and a half (3.5) years). Mortgage pass-through securities otherwise authorized by this section must have average life / price sensitivity characteristics less than five (5) years at the time of purchase.

3) In order to ensure the ability to meet obligations and to minimize potential liquidation losses, the dollar-weighted average maturity (WAM) of the District’s pooled portfolio shall not exceed two (2) years. For the PCHP portfolio, the WAM shall not exceed 2 years. The portion of the District’s pooled portfolio managed by an Investment Management Firm shall not have a WAM greater than three (3) years. In addition, the individual investment portfolios of the District and PCHP will each be diversified to limit market and credit risk by observing the following limitations:

Investment Type	Maximum Portfolio Ratio	Maturity Limit	Minimum Rating
U.S. Treasuries	100% Overall	10 years	N/A
U.S. Agencies & Instrumentalities	100% Overall 40% per Issuer	10 years	AA
Municipals	10% Overall 5% per Issuer	5 years	AA
Certificates of Deposit	40% Overall	2 years	N/A
Repurchase Agreements	40% Overall 20% per Issuer	270 days	N/A
Commercial Paper	40% Overall 5% per Issuer	270 days	A1 – P1
Money Market Mutual Funds	100% Overall	N/A	AAA
Local Government Investment Pools	100% Overall	N/A	AAA
U.S. Agency/ Instrumentality Mortgage Pass-Through Securities	25% Overall	5 years *	AAA
• Eligible securities must exhibit average life / maturity characteristics less than 5 years at the time of purchase.			

10. Authorized Broker Dealers

A. Any broker/dealer wishing to do business with the District must provide the following:

1) most recent audited financial statements;

2) proof of current certification by the Financial Industry Regulatory Authority (FINRA; formerly the National Association of Securities Dealers (NASD)); or

3) proof of current registration with the Texas State Securities Commission;

4) completed Broker/Dealer Questionnaire;

5) resumes of designated brokers.

B. The Treasury Director reviews all submitted documents, checks backgrounds and references as may be appropriate, and presents findings and recommendations to the Investment Officers.

C. The Investment Officers, after consideration of the broker/dealer's qualifications, may propose acceptance of the application to the Board of Managers.

D. Approved broker/dealers are provided with a copy of the District's Investment Policy so that they may read and understand the District's investment parameters. A qualified representative of the approved broker/dealer firm must execute a written instrument acknowledging that the firm has:

1) received and reviewed the District's Investment Policy; and

2) implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and the organization that are not authorized by the District's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards.

E. The list of approved broker/dealers must be reviewed, no less than annually, by the Board of Managers.

11. Delivery vs. Payment

    A. All marketable securities are purchased using the delivery vs. payment method. Payment for securities purchased is made only upon verification that the correct securities were received by the custodian. Payment may be made in a simultaneous transaction but may not be made before delivery of the securities occurs.

12. Safekeeping and Custody:

    A. The District shall contract with a bank or banks for safekeeping of securities either owned by the District as part of its investment portfolio or held as collateral to secure demand or time deposits. Securities owned by the District shall be held in the District's name as evidenced by safekeeping receipts of the institution holding the securities.

    B. Collateral for bank deposits shall be held by a third party custodian designated by the District and pledged to the District as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Collateral may be held by the depository bank's trust department, a Federal Reserve Bank or branch of a Federal Reserve Bank, a Federal Home Loan Bank, or a third party bank approved by the District.

13. Collateral

    A. Consistent with the requirements of the Public Funds Collateral Act, the District requires full collateralization of all uninsured collected bank balances plus accrued interest, if any. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on deposits, less the amount insured by the FDIC. The Treasury Director is responsible for approving pledges, releases, and substitutions of collateral and for monitoring the market value of the pledged securities to ensure that it is adequate. Eligible collateral shall be limited to Authorized Investments A) – D) of section 6 of this Policy.

14. Strategy

    A. For the ~~PHHS~~PARKLAND and PCHP portfolios, investments are generally "laddered" to mature according to forecasted cash needs and are held to

maturity. In addition, the portfolios are conservatively invested according to the following considerations listed in order of importance:

1) Suitability - All investments will be placed in appropriate instruments that are allowed by this Policy and with which the District's Investment Officers are thoroughly familiar.

2) Safety - Investments will be placed in instruments that offer low credit risk and minimal price volatility with the primary objective of preserving invested principal.

3) Liquidity - Securities will be selected to mature according to forecasted cash needs and to provide for contingencies.

4) Marketability - In order to further protect the District's assets from loss in the event that an early liquidation becomes necessary or desirable, a healthy trading market must exist for any securities maturing more than six (6) months from the purchase date.

5) Diversification - The investment portfolios will be diversified among specific issuers and investment types according to this Policy in order to minimize exposure to market and credit risk.

6) Yield - Investments will be selected which maximize return on invested principal subject to the above considerations.

7) Trading – Trading securities with the intent to profit from short-term changes in interest rates and/or security valuations is only permitted by an Investment Management Firm.

15. Portfolio Reporting and Controls

A. Not less than quarterly, the Treasury Director shall prepare a report of investment activity for presentation to the Board of Managers. This report will describe the investment position for the end of the period. The report will detail balances and changes in market and book values as well as fully accrued interest for the reporting period; state the maturity date of each investment held as of the reporting date; and state the compliance of the investment portfolio with this Investment Policy. Market values will be obtained from a reputable and

independent source that is disclosed in the quarterly report. This report will be signed by the Board authorized Investment Officers.

B. In connection with the annual financial audit, a review of management controls on investments and adherence to this Policy will be performed and the results will be reported to the Board of Managers. The annual audit by the District's independent auditors will include a review of the quarterly investment reports, the results of which shall be presented to the Board of Managers.

16. Investment Management Firms

A. The District may contract with an accredited investment management firm for purposes of managing the DCHD and PCHP investment portfolios. The firm must be registered either under the federal Investment Advisors Act of 1940 or with the Texas State Securities Board. The firm is required to review this policy and confirm acceptance of its terms annually. The firm will only be accountable for the DCHD and PCHP assets in the custody accounts under its control. In accordance with the Public Funds Investment Act, the DCHD Board of Managers must approve by resolution the renewal of the investment management firm's contract every two years.

17. Investment Policy Review and Adoption

A. Not less than annually, the Board of Managers shall adopt a written instrument by resolution stating that it has reviewed the Investment Policy and that the written instrument so adopted shall record any changes made to the Policy.

DEFINITIONS:

N/A

REFERENCES:

N/A

APPENDIX 1

Consanguinity and Affinity Relationship Chart

Officer or Employee					
Consanguinity (Includes individuals related by blood to the Officer or Employee)			Affinity (Includes the Officer's or Employee's Spouse and individuals related to the Spouse)		
First Degree	Second Degree	Third Degree	First Degree	Second Degree	Third Degree
Father or Mother	Grandparents	Great Grandparents	Spouse	Grandparents	Great Grandparents
Son or Daughter (& Spouse)	Grandchildren (& Spouse)	Great Grandchildren (& Spouse)	Father or Mother	Grandchildren	Great Grandchildren
	Uncle or Aunt (& Spouse)	Great Uncle or Aunt (& Spouse)	Son or Daughter	Uncle or Aunt	Great Uncle or Aunt
	First Cousin (& Spouse)	Children of Great Uncle or Aunt (& Spouse)		First Cousin	Children of Great Uncle or Aunt
	Nephew or Niece (& Spouse)	Second Cousin (& Spouse)		Nephew or Niece	Second Cousin
	Brother or Sister (& Spouse)	Children of First Cousin (& Spouse)		Brother or Sister	Children of First Cousin
		Grand Nephew or Niece (& Spouse)			Grand Nephew or Niece

An Officer or Employee is the starting point from which all degrees of relationship are calculated. Under the Degrees of Consanguinity, where Spouse is indicated, the relationship of the spouse is in the same degree as that of the person related by consanguinity, but the spouse is related only by affinity.

Parkland

Approve Temporary Privileges – Requirement and Verifications Policy (MSPS-04)

Approved at MEC 2022-11-17

Temporary Privileges – Requirements and Verifications	~~Cred~~ MSPS - 04	Published: 07/25/18
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PURPOSE:

In accordance with temporary privileges policies that may be adopted by the Medical Executive Committee and the Governing Body, temporary privileges may be granted only upon the basis of information that may reasonably be deemed reliable that the applicant is competent, ethical, and appropriately licensed. ~~To identify documentation required from the applicant, qualifications of applicant and the required verifications that must be performed prior to consideration and granting of temporary privileges while awaiting final review and approval~~

SCOPE:

The scope of this procedure covers:

- To fulfill an important patient care need, including the immediate care of a documented specific patient or service line need. ~~New applicants with a complete application who are awaiting Medical Executive Committee recommendation and Board of Managers approval or~~
- ~~Current Medical Staff or Non Physician Clinical Providers requesting additional privileges~~
- In an emergency, any Medical Staff Member, including ~~in~~ the Category of Courtesy ~~(no clinical privileges)~~ is permitted to provide any type of patient care, treatment, and services necessary as a life-saving measure or to prevent serious harm--regardless of their Medical Staff status or Clinical Privileges--provided that the care, treatment, and services provided are within the scope of the individual's license. Privileging will occur post event as allowed by Bylaws and Joint Commission standards.

PROCEDURE:

1. Temporary privileges ~~for applicants~~ may be granted ~~while awaiting review and approval~~ upon written requests ~~for Temporary Privileges~~ submitted by the ~~D~~~~epartment~~

Parkland

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~~Chair~~, Chief of Service (or designee) or Parkland employed Medical Director (or ~~their respective~~ designee), ~~, or Sponsoring/Supervising Physician;~~ and upon verification, at minimum based upon the urgency of the need, of the following:

A. ~~Patient MRN,~~ Expected type and ~~date of procedure~~care to be performed

~~A.~~B. Current licensure

~~B. Relevant training or experience~~

C. Education and training confirmed through the American Medical Association (AMA) Physician Master File, the American Osteopathic Associate (AOA) Physician Master File, or with the agency of document origin, as appropriate

~~C.~~D. Current competence, i.e., competency validation by a peer and verification of current affiliation from a JC accredited hospital where the Practitioner holds unrestricted clinical privileges~~Current competence~~

~~D. Ability to perform the privileges requested~~

E. Other criteria required by the Medical Staff Bylaws

F. A query and evaluation of the National Practitioner Data Bank (NPDB) ~~information~~

G. The Service ~~Department~~ Chief has the discretion to determine if additional information is necessary prior to granting Temporary Privileges. Such information may include, but will not be limited to: case summaries or other documentation regarding performance of specific procedures, references, etc.

H. A determination to grant temporary privileges shall not be binding or conclusive with respect to an applicant's pending or future request for appointment to the Medical Staff.

~~F.~~

~~G. A complete application~~

~~H. No current or previously successful challenge to licensure or registration~~

~~I. Absence of involuntary termination of medical staff membership at another organization~~

~~J. Absence of involuntary limitation, reduction, denial, or loss of clinical privileges~~

~~K. Occupational Health Department clearance~~

~~All temporary privileges are granted by the Parkland CEO, or authorized designee, upon recommendation of the Chief of Service/Medical Director, Credentials Committee Chair, Chief Medical Officer, or authorized designee, or Medical Staff President, or authorized designee.~~

~~2.~~I. Non-Physician Clinical Providers – require a written request of the Sponsoring/Supervising Physician.

~~3.~~2. Temporary privileges are in accordance with the procedure, and under the circumstances, described below. In no situation should the initial grant of temporary privileges be for a period exceeding 120 days.

~~4. New applicants may only be granted temporary privileges when their application is complete and has been fully processed in accordance with the MSPS-Credentialing Affairs Appointment Procedure.~~

~~5.~~3. Requests for Temporary Privileges

A. Requests for temporary privileges must be made, in writing via Practitioner Request Form (PRF), to the Medical Staff Professional Services and Regulatory Affairs Department a minimum of ~~three (3)~~ five (5) working days (Monday – Friday) in advance of the date temporary privileges will be needed in order to allow for the required verifications and approvals to take place. ~~Requests are made by submitting a written request to Medical Staff Professional Services and Credentialing Affairs Department.~~

- ~~o~~ Emergency Privileges: Privileging will occur post event as allowed by By-laws and Joint Commission standards.

~~A.~~

Temporary Privileges – Requirements and Verifications	~~Cred~~ MSPS - 04	Published: 07/25/18
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~~6. New Applicants~~

~~A. The application must be complete, all documentation signed, verifications and queries obtained. Temporary Privileges are granted following approval by the Chief of Service/Department Chair, Credentials Chair, and Chief Medical Officer or Credentials Committee. Temporary Privileges will be in place pending final approval by the Medical Executive Committee and Board of Managers.~~

~~B. Required Documentation~~

~~1) Documentation required for Temporary Privileges:~~

~~a) Texas Standardized Credentialing Application (TSCA) completed in its entirety~~

~~b) Addendum to TSCA completed in its entirety~~

~~c) Detailed written responses, signed and dated by applicant, for all affirmative answers to attestation questions listed on the TSCA and Addendum~~

~~d) Privileges request~~

~~e) Documentation to support requested privileges (see procedure/case logs requirements)~~

~~f) Legible copy of valid government-issued photo, i.e., driver's license, passport~~

~~g) Current passport size color photo~~

~~h) Current curriculum vitae~~

~~i) Copy of Professional Liability Insurance~~

~~j) Life Support Certifications as required by scope of practice~~

~~2) Verifications required for Temporary Privileges:~~

~~a) Medical/Professional Degrees~~

~~b) Postgraduate training~~

~~c) Board certification or documentation of eligibility as required by that specialty as applicable~~

~~d) Professional licensure~~

~~e) DEA Certificate or waiver~~

~~f) Clinical Competency – (2) Professional References~~

~~g) Hospital affiliation verifications~~

~~h) Employment verification as appropriate~~

~~i) Professional Liability Insurance~~

~~j) NPDB Query (National Practitioner Databank)~~

~~k) Sanction Check which includes: OIG/ Texas OIG/ System for Award Management (SAM) and the US Treasury Office of Foreign Assets Control (OFAC) List are all verified via https://app.sanctioncheck.com/Scripts/logon.asp~~

~~l)~~a) ~~Criminal Background Check~~

~~7.~~4. Requests for Additional Privileges

A. Members of the Medical Staff or Non-~~-~~Physician Clinical Provider Staff may apply for additional privileges between reappointment cycles. Temporary privileges may be granted if there is a documented ~~n~~ urgent specific patient or service need once the following are complete:

1) Sufficient evidence provided by the applicant to fulfill any initial credentialing criteria

2) Current competence validated

3) All required license and NPDB verifications obtained and

Parkland

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4) The relevant Department/Service C~~c~~hief (or designee), Parkland employed Medical Director (or designee), ~~and~~ Chief Medical Officer, and/or Chief Clinical Officer has recommended approval

~~B. The recommendation of the Department/Chief of Service Chief/Medical Director, Medical Staff President and/or Chief Medical Officer will be forwarded to the next scheduled meeting of the Credentials Committee, Medical Executive Committee and Board of Managers for action and final approval..~~

~~B.~~ Refer to Section 6 – Approval Process

~~8.~~5. Qualifications for Temporary Privileges:

A. An affirmative answer to any attestation question listed on the TSCA and/or the Addendum would preclude an applicant from pursuing temporary privileges. If it is determined need is greater than the infraction/occurrence will require~~s~~ special consideration, recommendation and approval by the Chief of Service (or designee) ~~Chief/~~Parkland employed Medical Director (or designee), Credentials Committee Chair, ~~and~~ Chief Medical Officer, and/or Chief Clinical Officer as Designee of the CEO.

B. The following are exclusions, which include, but are not limited to items which would preclude an applicant from pursuing temporary privileges:

1) Past or present sanctions by OIG or Texas OIG

2) Being listed on the System for Award Management government website (SAM)

3) Open or unresolved medical malpractice suits

4) History of medical malpractice regardless of disposition will require special consideration and may prevent granting of temporary privileges.

5) Past or present investigations or prior adverse outcomes from hospitals, boards, or professional societies

6) Open or unsettled criminal investigations

7) History of criminal activity including felony, Class A or B misdemeanor, or Class C misdemeanor involving a crime of moral turpitude

8) Past or currently pending challenges against license, board~~s~~ certification

9) Current or previously successful challenge to licensure or registration

10) Subjection to involuntary termination of medical staff membership at another organization

11) Subjection to involuntary limitation, reduction, denial, or loss of clinical privileges

~~9. Additional Information Required~~

~~A. The Department Chair/Chief of Service and/or Chief Medical Officer or designee has the discretion to determine if additional information is necessary prior to granting temporary privileges.~~

~~B. A determination to grant temporary privileges shall not be binding or conclusive with respect to an applicant's pending or future request for appointment to the Medical Staff.~~

~~10.~~6. Approval Process

A. Approval:

1) All t~~T~~emporary privileges may be granted after the applicant submits a completes ~~the~~ application ~~procedure~~ and Medical Staff Professional Services and ~~Credentialing~~ Regulatory Affairs has ~~completes~~ completed the application review and verification process.

2) All temporary privileges are granted by the Parkland Chief Executive Officer (or authorized designee) on the recommendation of at least one or more of the below:

~~a) Credentials Chair and/or~~

~~b)~~a) ~~Department Chair/~~Chief of Service (or designee) or Parkland employed Medical Director (or designee) in the appropriate specialty and/or

b) Chief Medical Officer, Chief Clinical Officer, and/or President of the Medical Staff (or designee) ~~and/or~~

c) ~~President of the Medical Staff, or designee~~

3) A practitioner granted Temporary Privileges is subject to FPPE and OPPE.

~~3)~~4) Notification:

a) Medical Staff Professional Services and ~~Credentialing~~Regulatory Affairs will notify the provider, ~~Department Chair/~~Chief of Service (or designee), Parkland employed Medical Director (or designee) Information Systems, and other appropriate individuals ~~the Department contact~~ of the approval of temporary privileges by electronic mail.

~~11.~~7. Denial and Termination of Temporary Privileges

A. There is no right to temporary privileges. Accordingly, temporary privileges should not be granted unless the available information supports, with reasonable certainty, an urgent patient care or service line need, a favorable determination regarding the requesting applicant's qualifications, ability and judgment to exercise the privileges requested.

B. If available information is inconsistent or casts any reasonable doubts on the applicant's qualifications, action on the request for temporary privileges may be deferred until the doubts have been satisfactorily resolved.

C. Temporary privileges shall automatically terminate at the end of the designated period.

EQUIPMENT:

N/A

DEFINITIONS:

Urgent Patient Care Need – The care of a patient requires specialized skills that no currently privileged and available practitioner possesses.

Service Line Need – The patient care volume exceeds the level that can be handled by currently privileged practitioners and additional practitioners are needed to handle the volume.

~~Class A Class A Misdemeanor - Penalties include a fine of no more than $4,000 and/or up to 1 year in a county jail. Examples of Class A misdemeanors include burglary of a vehicle, theft of property valued at $750 but less than $2,500. Assault causing bodily injury. Assault causing bodily injury to a family member (family violence) Unlawfully carrying a weapon. Possession of marijuana (more than 2 ounces, but less than 4 ounces)~~

~~Class B Misdemeanor - Class B misdemeanors are less severe than Class A, but more serious than Class C misdemeanors. Examples of Class B misdemeanors include: Harassment. Possession of marijuana, between 2.5 and 10 grams. Aggravated speeding (more than 30 mph over the limit), Driving While Intoxicated (first offense) Terroristic Threat. Indecent Exposure. Evading arrest on foot.~~

~~Class C Misdemeanor - A Class C misdemeanor is the least serious of all crimes charged in Texas. When convicted of a Class C misdemeanor, there isn't any chance of having to serve a jail sentence. There is, however, a fine that could be as high as $500.~~

Turpitude - In Texas, a crime of moral turpitude is considered to be an act that is knowingly contrary to honest, just behavior. In everyday language, these are acts of dishonesty, fraud, deceit, misrepresentation, or theft. Any form of theft crime or of an sexual nature is considered a crime of moral turpitude.

~~N/A~~

REFERENCES:

The Joint Commission, Comprehensive Accreditation Manual for Hospitals, Standard

MS.06.01.13 EP3 (2018).

https://www.jointcommission.org/standards/standard-faqs/critical-access-hospital/medical-staff-ms/000002257/

Revision History:

Bylaws Committee xx/xx/2022 Medical Executive Committee xx/xx/2022 Board of Managers xx/xx/2022	

Parkland

Approve Flexible Benefits Plan Document

Executive Summary

Summary

A new formal written plan document has been created that describes Parkland's existing cafeteria plan benefits, which were previously described in benefits summaries and communications to employees. In addition, the new formal written plan document includes provisions addressing Parkland's new health savings account option which will be available to employees in 2023 who have elected Parkland's high deductible health plan option. Under Federal tax laws, contributions by Parkland to the new health savings accounts of employees are treated as cafeteria plan contributions. This is a Federal tax requirement that is authorized by the Internal Revenue Service so that employees will not have to pay income tax on the contributions that are paid by Parkland to their health savings accounts.

Request for Board Action:

The Office of Talent Management is requesting, this new written plan document be approved by Parkland and signed by an appropriate Parkland Executive so it is in place for the new plan year.

PARKLAND HEALTH
FLEXIBLE BENEFITS PLAN

As Amended and Restated Effective as of January 1, 2023

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PARKLAND HEALTH FLEXIBLE BENEFITS PLAN

INTRODUCTION

The Employer has amended and restated the Parkland Health Flexible Benefits Plan (the "Plan") effective January 1, 2023, to recognize the contributions made to the Employer by its Employees. The purpose of the Plan is to provide benefits for those Employees and their Dependents and beneficiaries who qualify for benefits under the terms of this Plan. The Plan allows Employees to choose among different types of benefits based on their own goals, desires, and needs.

The intention of the Employer is that the Plan qualify as a "cafeteria plan" within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended (the "Code"), and that the benefits that an Employee elects to receive under the Plan be excludable from the Employee's income under Code section 125(a) and other applicable sections of the Code.

Although contained within this document, the provisions related Health Flexible Spending Accounts and Dependent Care Flexible Spending Account are separate plans for purposes of administration and all reporting and nondiscrimination requirements imposed by Code sections 105 and 129. The Health Flexible Spending Account provisions are also a separate plan for purposes of applicable provisions of HIPAA and COBRA. In the event that the Health Flexible Spending Account provisions are determined not to be a separate plan, the Plan shall be designated as a hybrid entity for purposes of HIPAA, such that it shall be a covered entity only with respect to the provisions of Health Flexible Spending Accounts. The Health Insurance Benefit, Dental Insurance Benefit, Vision Insurance Benefit and Health Flexible Spending Account provisions are intended to be part of an organized health care arrangement for purposes of HIPAA.

ARTICLE I
DEFINITIONS

1.1 **Administrator** means the Employer unless another person or entity has been designated by the Employer pursuant to Section 10.1 to administer the Plan on behalf of the Employer. If the Employer is the Administrator, the Employer may appoint any person, including without limitation on or more of the Employees of the Employer, to perform the duties of the Administrator. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

1.2 **Affiliated Employer** means the Employer and any other entity that is a member of a controlled group of corporations (as defined in Code section 414(b)) which includes the Employer; any trade or business (whether or not incorporated) which is under common control (as defined in Code section 414(c)) with the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code section 414(m)) that includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Treasury regulations under Code section 414(o). 1.2 p.11.2

1.3 **Benefit** or **Benefit Options** means any of the optional benefit choices available to a Participant as provided in Section 4.1.

1.4 **Cafeteria Plan Benefit Dollars** means the amount available to Participants to purchase Benefit Options as provided under Section 4.1. Each dollar contributed to this Plan shall be converted into one Cafeteria Plan Benefit Dollar.

1.5 **Code** means the Internal Revenue Code of 1986, as amended.

1.6 **Compensation** means the amounts received by the Participant from the Employer during a Plan Year, subject to such exclusions as may be determined by the Administrator.

1.7 **Dependent** means any individual who qualifies as a dependent under the self-funded plan for purposes of that plan or under Code section 152 (as modified by Code section 105(b)).

Dependent includes any Child of a Participant who is covered under an Insurance Contract, as defined in the Contract, or under the Health Flexible Spending Account or as allowed by reason of the Affordable Care Act.

For purposes of the Health Flexible Spending Account, a Participant's "Child" includes the Participant's natural child, stepchild, foster child, adopted child, or a child placed with the Participant for adoption. A Participant's Child will be an eligible Dependent until reaching the limiting age of 26, without regard to student status, marital status, financial dependency or residency status with the Employee or any other person. When the child reaches the applicable limiting age, coverage will end at the end of the calendar year.

The phrase "placed for adoption" refers to a child whom the Participant intends to adopt, whether or not the adoption has become final, who has not attained the age of 18 as of the date of such placement for adoption. The term "placed" means the assumption and retention by such Employee of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have commenced.

1.8 **Effective Date** means the effective date of this amendment and restatement, which is January 1, 2023.

1.9 **Election Period** means the period immediately preceding the beginning of each Plan Year established by the Administrator, such period to be applied on a uniform and nondiscriminatory basis for all Employees and Participants. However, an Employee's initial Election Period shall be determined pursuant to Section 5.1.

1.10 **Eligible Employee** means any Employee who has satisfied the provisions of Section 2.1. An individual shall not be an Eligible Employee if such individual is not reported on the payroll records of the Employer as a common law employee. It is expressly intended that individuals not treated as common law employees by the Employer on its payroll records are not Eligible Employees and are excluded from Plan participation even if a court or administrative agency determines that such individuals are common law employees and not independent contractors.

1.11 **Employee** means any person who is employed by the Employer. The term Employee shall include leased employees within the meaning of Code section 414(n)(2).

1.12 **Employer** means Dallas County Hospital District, doing business as Parkland Health and any successor that maintains this Plan; and any predecessor that has maintained this Plan. In addition, where appropriate, the term Employer shall include any Affiliated Employer; provided, however, that the Employer has the exclusive right to amend or terminate the Plan with respect to any Affiliated

Employer that adopts this Plan. As of the Effective Date, the participating Employers are: Parkland Foundation, Parkland Center for Clinical Innovation and Parkland Community Health Plan, Inc.

1.13 **Grace Period** means, with respect to any Plan Year, the time period ending on the fifteenth day of the third calendar month after the end of such Plan Year, during which Medical Expenses and Employment-Related Dependent Care Expenses incurred by a Participant will be deemed to have been incurred during such Plan Year.

1.14 **Insurance Contract** or **Contract** means any contract issued by an Insurer underwriting a Benefit.

1.15 **Insurer** means any insurance company that underwrites a Benefit under this Plan or, with respect to any self-funded benefits, the Employer.

1.16 **Key Employee** means an Employee described in Code section 416(i)(1) and the Treasury regulations.

1.17 **Participant** means any Eligible Employee who elects to become a Participant pursuant to Section 2.3 and has not for any reason become ineligible to participate further in the Plan.

1.18 **Plan** means this instrument, including all amendments thereto.

1.19 **Plan Year** means the 12-month period beginning January 1 and ending December 31. The Plan Year shall be the coverage period for the Benefits provided for under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.

1.20 **Premium Expenses** or **Premiums** means the Participant's cost for the self-funded Benefits described in Section 4.1.

1.21 **Premium Expense Reimbursement Account** means the account established for a Participant pursuant to this Plan to which part of his or her Cafeteria Plan Benefit Dollars may be allocated and from which Premiums of the Participant may be paid or reimbursed. If more than one type of insured or self-funded Benefit is elected, sub-accounts shall be established for each type of insured or self-funded Benefit.

1.22 **Salary Redirection** means the contributions made by the Employer on behalf of Participants pursuant to Section 3.1. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article V.

1.23 **Salary Redirection Agreement** means an agreement between the Participant and the Employer under which the Participant agrees to reduce his or her Compensation or to forego all or part of the increases in such Compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Redirection Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code section 125 into account) and, subsequently does not become currently available to the Participant.

1.24 **Spouse** means spouse as determined under Federal law.

ARTICLE II

PARTICIPATION

2.1 ELIGIBILITY2.1 p.22.1

Any Eligible Employee shall be eligible to participate 90 days after his or her date of hire with the Employer; provided, however, that this Plan has no waiting period for purposes of the Health Savings Account described in Article VIII with respect to an Eligible Employee who is otherwise eligible to participate in the Employer's High Deductible Health Plan. However, any Eligible Employee who was a Participant in the Plan on the effective date of this amendment and restatement shall continue to be eligible to participate in the Plan. To participate in the Health Savings Account described in Article VIII, the individual must be an HSA-Eligible Individual and also be subject to the additional requirements, if any, specified in the High Deductible Health Plan.

2.2 EFFECTIVE DATE OF PARTICIPATION2.2 p.22.2

An Eligible Employee shall become a Participant effective as of the date on which he or she satisfies the requirements of Section 2.1.

2.3 APPLICATION TO PARTICIPATE2.3 p.22.3

An Employee who is eligible to participate in the Plan shall, during the applicable Election Period, complete an application to participate in a manner set forth by the Administrator. The election shall be irrevocable until the end of the applicable Plan Year unless the Participant is entitled to change his or her Benefit elections pursuant to Section 5.4 hereof.

An Eligible Employee shall also be required to complete a Salary Redirection Agreement during the Election Period for the Plan Year during which he wishes to participate in this Plan. Any such Salary Redirection Agreement shall be effective for the first pay period beginning on or after the Employee's effective date of participation pursuant to Section 2.2.

2.4 TERMINATION OF PARTICIPATION

A Participant shall no longer participate in this Plan upon the occurrence of any of the following events:

(a) **Termination of employment.** The Participant's termination of employment, subject to the provisions of Section 2.5;

(b) **Death.** The Participant's death, subject to the provisions of Section 2.6; or

(c) **Termination of the plan.** The termination of this Plan, subject to the provisions of Section 11.2.

2.5 TERMINATION OF EMPLOYMENT2.5 p.32.5

If a Participant's employment with the Employer is terminated for any reason other than death, his or her participation in the Benefit Options provided under Section 4.1 shall be governed in accordance with the following:

(a) **Insurance Benefit.** With regard to Benefits provided under Section 4.1, the Participant's participation in the Plan shall cease, subject to the Participant's right to continue coverage under any Insurance Contract or self-funded benefit for which premiums have already been paid.

(b) **Dependent Care FSA.** With regard to the Dependent Care Flexible Spending Account, the Participant's participation in the Plan shall cease and no further Salary Redirection contributions shall be made. However, such Participant may submit claims for employment related Dependent Care Expense reimbursements for claims incurred through the remainder of the Plan Year in which such termination occurs and submitted on or before March 31 of the following Plan Year, based on the balance of the Participant's Dependent Care Flexible Spending Account as of the date of termination.

(c) **Health FSA.** With regard to the Health Flexible Spending Account, the Participant may submit claims for expenses that were incurred during the portion of the Plan Year before the end of the period for which payments to the Health Flexible Spending Account have already been made. Thereafter, the health benefits under this Plan including the Health Flexible Spending Account shall be applied and administered consistent with such further rights a Participant and his or her Dependents may be entitled to pursuant to Code section 4980B and Section 12.13 of the Plan.

2.6 DEATH2.6 p.32.6

If a Participant dies, his or her participation in the Plan shall cease. However, such Participant's spouse or Dependents may submit claims for expenses or benefits for the remainder of the Plan Year or until the Cafeteria Plan Benefit Dollars allocated to each specific benefit are exhausted. In no event may reimbursements be paid to someone who is not a spouse or Dependent. If the Plan is subject to the provisions of Code section 4980B, then those provisions and related regulations shall apply for purposes of the Health Flexible Spending Account.

ARTICLE III
CONTRIBUTIONS TO THE PLAN

3.1 SALARY REDIRECTION3.1 p.33.1

Benefits under the Plan shall be financed by Salary Redirections sufficient to support Benefits that a Participant has elected and to pay the Participant's Premium Expenses. The salary administration program of the Employer shall be revised to allow each Participant to agree to reduce his or her pay during a Plan Year by an amount determined necessary to purchase the elected Benefit Options. The amount of such Salary Redirection shall be specified in the Salary Redirection Agreement and shall be applicable for a Plan Year. Notwithstanding the above, for new Participants, the Salary Redirection Agreement shall only be applicable from the first day of the pay period following the Employee's entry date up to and including the last day of the Plan Year. These contributions shall be converted to Cafeteria Plan Benefit Dollars and allocated to the funds or accounts established under the Plan pursuant to the Participants' elections made under Article IV.

Any Salary Redirection shall be determined prior to the beginning of a Plan Year (subject to initial elections pursuant to Section 5.1) and prior to the end of the Election Period and shall be irrevocable for such Plan Year. However, a Participant may revoke a Benefit election or a Salary Redirection Agreement after the Plan Year has commenced and make a new election with respect to the remainder of the Plan Year, if both the revocation and the new election are on account of and consistent with a change in status and such other permitted events as determined under Article V of the Plan and consistent with the rules and regulations of the Department of the Treasury. Salary Redirection amounts shall be contributed on a pro rata basis for each pay period during the Plan Year. All individual Salary Redirection Agreements are deemed to be part of this Plan.

The Administrator may adopt such administrative rules as it deems appropriate with respect to Elections by Participants, including rules on whether a Participant's Election may continue in effect from year to year unless changed by the Participant and rules on whether a Participant will be presumed to have made or not made an Election with respect to Premiums for any or all of the Benefits available under the Insurance Premium Payment Plan.

3.2 APPLICATION OF CONTRIBUTIONS

As soon as reasonably practical after each payroll period, the Employer shall apply the Salary Redirection to provide the Benefits elected by the affected Participants. Any contribution made or withheld for the Health Flexible Spending Account or Dependent Care Flexible Spending Account shall be credited to such fund or account. Amounts designated for the Participant's Premium Expense Reimbursement Account shall likewise be credited to such account for the purpose of paying Premium Expenses.

3.3 PERIODIC CONTRIBUTIONS

Notwithstanding the requirement provided above and in other Articles of this Plan that Salary Redirections be contributed to the Plan by the Employer on behalf of an Employee on a level and pro rata basis for each payroll period, the Employer and Administrator may implement a procedure in which Salary Redirections are contributed throughout the Plan Year on a periodic basis that is not pro rata for each payroll period. However, with regard to the Health Flexible Spending Account, the payment schedule for the required contributions may not be based on the rate or amount of reimbursements during the Plan Year.

ARTICLE IV
BENEFITS

4.1 BENEFIT OPTIONS4.1 p.44.1

Each Participant may elect any one or more of the following optional Benefits:

(1) Health Flexible Spending Account

(2) Dependent Care Flexible Spending Account

(3) Insurance Premium Payment Plan

(i) Health Insurance Benefit

(ii) Dental Insurance Benefit

(iii) Vision Insurance Benefit

(4) Health Savings Account Benefit

Health Savings Account Benefits cannot be elected with Health Flexible Spending Account Benefits. In addition, a Participant who elects the High-Deductible Health Plan option for a Plan Year beginning after 2022 is treated as automatically waiving the Grace Period, if any, with respect to the 2022 Plan Year.

4.2 HEALTH FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Health Flexible Spending Account option, in which case Article VI shall apply.

4.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT BENEFIT

Each Participant may elect to participate in the Dependent Care Flexible Spending Account option, in which case Article VII shall apply.

4.4 HEALTH INSURANCE BENEFIT

(a) **Coverage for Participant and Dependents.** Each Participant may elect to be covered under a health Contract for the Participant, his or her Spouse, and his or her Dependents.

(b) **Employer selects Contracts.** The Employer may select suitable health Contracts for use in providing this health insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit and which may be self-funded in whole or in part as determined by the Employer.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such health Contract shall be determined from the terms of the Contract, and such Contract shall be incorporated by reference.

4.5 DENTAL INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's dental Insurance Contract. In addition, the Participant may elect either individual or family coverage under such Insurance Contract.

(b) **Employer selects contracts.** The Employer may select suitable dental Insurance Contracts for use in providing this dental insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit and which may be self-funded in whole or in part as determined by the Employer.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such dental Insurance Contract shall be determined from the terms of the Contract, and such dental Insurance Contract shall be incorporated by reference.

4.6 VISION INSURANCE BENEFIT

(a) **Coverage for Participant and/or Dependents.** Each Participant may elect to be covered under the Employer's vision Insurance Contract. In addition, the Participant may elect either individual or family coverage.

(b) **Employer selects contracts.** The Employer may select suitable vision Insurance Contracts for use in providing this vision insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit and which may be self-funded in whole or in part as determined by the Employer.

(c) **Contract incorporated by reference.** The rights and conditions with respect to the benefits payable from such vision Insurance Contract shall be determined from the terms of the Contract, and such vision Insurance Contract shall be incorporated by reference.

4.7 HEALTH SAVINGS ACCOUNT BENEFIT4.7 p.54.7

Each Participant may elect to have a portion of his or her Salary Redirections contributed to a Health Savings Account, defined in Code section 223. The amounts contributed shall be subject to the terms of the Health Savings Account as established and administered pursuant to Article VIII.

4.8 NONDISCRIMINATION REQUIREMENTS4.8 p.54.8

(a) **Intent to be nondiscriminatory.** It is the intent of this Plan to provide benefits to a classification of employees which the Secretary of the Treasury finds not to be discriminatory in favor of the group in whose favor discrimination may not occur under Code section 125.

(b) **25% concentration test.** It is the intent of the Plan not to provide qualified benefits as defined under Code section 125 to Key Employees in amounts that exceed 25% of the aggregate of such Benefits provided for all Eligible Employees under the Plan. For purposes of the preceding sentence, qualified benefits shall not include benefits which (without regard to this paragraph) are includible in gross income.

(c) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to Key Employees or a group of employees in whose favor discrimination may not occur in violation of Code section 125, it may, but shall not be required to, reject any election or reduce contributions or non-taxable Benefits in order to assure compliance with the Code and regulations. Any act taken by the Administrator shall be carried out in a uniform and nondiscriminatory manner. With respect to any affected Participant who has had Benefits reduced pursuant to this Section, the reduction shall be made proportionately among Health Flexible Spending Account Benefits and Dependent Care Flexible Spending Account Benefits, and once all these Benefits are expended, proportionately among self-funded Benefits. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and deposited into the benefit plan surplus.

ARTICLE V
PARTICIPANT ELECTIONS

5.1 INITIAL ELECTIONS5.1 p.55.1

An Employee who meets the eligibility requirements of Section 2.1 on the first day of, or during, a Plan Year may elect to participate in this Plan for all or the remainder of such Plan Year, provided he or she elects to do so on or before his or her effective date of participation pursuant to Section 2.2.

5.2 SUBSEQUENT ANNUAL ELECTIONS5.2 p.55.2

During the Election Period prior to each subsequent Plan Year, each Participant shall be given the opportunity to elect, on an election of benefits form to be provided by the Administrator, which

Benefit options he or she wishes to select. Any such election shall be effective for any Benefit expenses incurred during the Plan Year which follows the end of the Election Period. With regard to subsequent annual elections, the following options shall apply:

(a) A Participant or Employee who failed to initially elect to participate may elect different or new Benefits under the Plan during the Election Period;

(b) A Participant may terminate his or her participation in the Plan by notifying the Administrator in writing during the Election Period that he or she does not want to participate in the Plan for the next Plan Year, or by not electing any Benefit options;

(c) An Employee who elects not to participate for the Plan Year following the Election Period will have to wait until the next Election Period before again electing to participate in the Plan, except as provided for in Section 5.4.

5.3 FAILURE TO ELECT

Any Participant failing to complete an election of benefits form pursuant to Section 5.2 by the end of the applicable Election Period shall be deemed to have elected not to participate in the Plan for the upcoming Plan Year. No further Salary Redirections shall be authorized for such subsequent Plan Year.

5.4 CHANGE IN STATUS5.4 p.65.4

(a) **Change in status defined.** Any Participant may change a Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year if, under the facts and circumstances, the changes are necessitated by and are consistent with a change in status which is acceptable under rules and regulations adopted by the Department of the Treasury, the provisions of which are incorporated by reference. Notwithstanding anything in the Plan to the contrary, if the rules and regulations conflict, then such rules and regulations shall control.

In general, a change in election is not consistent if the change in status is the Participant's divorce, annulment or legal separation from a Spouse, the death of a Spouse or Dependent, or a Dependent ceasing to satisfy the eligibility requirements for coverage, and the Participant's election under the Plan is to cancel accident or health insurance coverage for any individual other than the one involved in such event. In addition, if the Participant, Spouse or Dependent gains or loses eligibility for coverage, then a Participant's election under the Plan to cease or decrease coverage for that individual under the Plan corresponds with that change in status only if coverage for that individual becomes applicable or is increased under the family member plan.

Regardless of the consistency requirement, if the individual, the individual's Spouse, or Dependent becomes eligible for continuation coverage under the Employer's group health plan as provided in Code section 4980B or any similar state law, then the individual may elect to increase payments under the Plan in order to pay for the continuation coverage. However, this does not apply for COBRA eligibility due to divorce, annulment or legal separation.

Any new election shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form is completed and returned to the Administrator. For the purposes of this subsection, a change in status shall only include the following events or other events permitted by Treasury regulations:

(1) Legal Marital Status: events that change a Participant's legal marital status, including marriage, divorce, death of a Spouse, legal separation or annulment;

(2) Number of Dependents: Events that change a Participant's number of Dependents, including birth, adoption, placement for adoption, or death of a Dependent;

(3) Employment Status: Any of the following events that change the employment status of the Participant, Spouse, or Dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, or a change in worksite. In addition, if the eligibility conditions of the Plan or other employee benefit plan of the Employer of the Participant, Spouse, or Dependent depend on the employment status of that individual and there is a change in that individual's employment status with the consequence that the individual becomes (or ceases to be) eligible under the plan, then that change constitutes a change in employment under this subsection;

(4) Dependent satisfies or ceases to satisfy the eligibility requirements: An event that causes the Participant's Dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance; and

(5) Residency: A change in the place of residence of the Participant, Spouse or Dependent, that would lead to a change in status (such as a loss of HMO coverage).

For the Dependent Care Flexible Spending Account, a Dependent becoming or ceasing to be a "Qualifying Dependent" as defined under Code section 21(b) shall also qualify as a change in status.

Notwithstanding anything in this Section to the contrary, the gain of eligibility or change in eligibility of a child, as allowed under Code sections 105(b) and 106 qualifies as a change in status.

(b) **Special enrollment rights.** Notwithstanding subsection (a), Participants may change an election for group health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code section 9801(f), including those authorized under the provisions of the Children's Health Insurance Program Reauthorization Act of 2009 (SCHIP); provided that such Participant meets the sixty (60) day notice requirement imposed by Code section 9801(f) (or such longer period as may be permitted by the Plan and communicated to Participants). Such change shall take place on a prospective basis, unless otherwise required by Code section 9801(f) to be retroactive.

(c) **Qualified Medical Support Order.** Notwithstanding subsection (a), in the event of a judgment, decree, or order (including approval of a property settlement) ("order") resulting from a divorce, legal separation, annulment, or change in legal custody which requires accident or health coverage for a Participant's child (including a foster child who is a Dependent of the Participant):

(1) The Plan may change an election to provide coverage for the child if the order requires coverage under the Participant's plan; or

(2) The Participant shall be permitted to change an election to cancel coverage for the child if the order requires the former Spouse to provide coverage for such child, under that individual's plan and such coverage is actually provided.

(d) **Medicare or Medicaid.** Notwithstanding subsection (a), a Participant may change elections to cancel or reduce accident or health coverage for the Participant or the Participant's Spouse or Dependent if the Participant or the Participant's Spouse or Dependent is enrolled in the accident or health coverage of the Employer and becomes entitled to coverage (i.e., enrolled) under Part A or Part B of the Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). If the Participant or the Participant's Spouse or Dependent who has been entitled to Medicaid or Medicare coverage loses eligibility, that individual may prospectively elect coverage under the Plan if a benefit package option under the Plan provides similar coverage.

(e) **Cost increase or decrease.** If the cost of a Benefit provided under the Plan increases or decreases during a Plan Year, then the Plan shall automatically increase or decrease, as the case may be, the Salary Redirections of all affected Participants for such Benefit. Alternatively, if the cost of a benefit package option increases significantly, the Administrator shall permit the affected Participants to either make corresponding changes in their payments or revoke their elections and, in lieu thereof, receive on a prospective basis coverage under another benefit package option with similar coverage, or drop coverage prospectively if there is no benefit package option with similar coverage.

A cost increase or decrease refers to an increase or decrease in the amount of elective contributions under the Plan, whether resulting from an action taken by the Participants or an action taken by the Employer.

(f) **Loss of coverage.** If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, affected Participants may revoke their elections of such Benefit and, in lieu thereof, elect to receive on a prospective basis coverage under another plan with similar coverage, or drop coverage prospectively if no similar coverage is offered.

(g) **Addition of a new benefit.** If, during the period of coverage, a new benefit package option or other coverage option is added, an existing benefit package option is significantly improved, or an existing benefit package option or other coverage option is eliminated, then the affected Participants may elect the newly added option or elect another option if an option has been eliminated prospectively and make corresponding election changes with respect to other benefit package options providing similar coverage. In addition, those

Eligible Employees who are not participating in the Plan may opt to become Participants and elect the new or newly improved benefit package option.

(h) **Loss of coverage under certain other plans.** A Participant may make a prospective election change to add group health coverage for the Participant, the Participant's Spouse or Dependent if such individual loses group health coverage sponsored by a governmental or educational institution, including a state children's health insurance program under the Social Security Act, the Indian Health Service or a health program offered by an Indian tribal government, a state health benefits risk pool, or a foreign government group health plan.

(i) **Change of coverage due to change under certain other plans.** A Participant may make a prospective election change that is on account of and corresponds with a change made under the plan of a Spouse's, former Spouse's or Dependent's employer if (1) the cafeteria plan or other benefits plan of the Spouse's, former Spouse's or Dependent's employer permits its participants to make a change; or (2) the cafeteria plan permits participants to make an election for a period of coverage that is different from the period of coverage under the cafeteria plan of a Spouse's, former Spouse's or Dependent's employer.

(j) **Change in dependent care provider.** A Participant may make a prospective election change that is on account of and corresponds with a change by the Participant in the dependent care provider. The availability of dependent care services from a new childcare provider is similar to a new benefit package option becoming available. A cost change is allowable in the Dependent Care Flexible Spending Account only if the cost change is imposed by a dependent care provider who is not related to the Participant, as defined in Code section 152(a)(1) through (8).

(k) **Health FSA cannot change due to insurance change.** A Participant shall not be permitted to change an election to the Health Flexible Spending Account as a result of a cost or coverage change under any health insurance benefits.

(l) **Health Savings Account changes.** With regard to the Health Savings Account Benefit described in Section 4.7, a Participant who has elected to make elective contributions under such arrangement may modify or revoke the election prospectively, provided such change is consistent with Code section 223 and the Treasury regulations.

(m) **Changes due to reduction in hours or enrollment in an Exchange Plan.** A Participant may prospectively revoke coverage under the group health plan (that is not a Health Flexible Spending Account) that provides minimum essential coverage (as defined in Code section 5000A(f)(1)) provided the following conditions are met:

Conditions for revocation due to reduction in hours of service:

(1) The Participant has been reasonably expected to average at least 30 hours of service per week and there is a change in that Participant's status so that the Participant will reasonably be expected to average less than 30 hours of service per week after the change, even if that reduction does not result in the Participant ceasing to be eligible under the group health plan; and

(2) The revocation of coverage under the group health plan corresponds to the intended enrollment of the Participant, and any related individuals who cease coverage due to the revocation, in another plan that provides minimum essential coverage with the new coverage effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

The Administrator may rely on the reasonable representation of the Participant who is reasonably expected to have an average of less than 30 hours of service per week for future periods that the Participant and related individuals have enrolled or intend to enroll in another plan that provides minimum essential coverage for new coverage that is effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

Conditions for revocation due to enrollment in a qualified health plan:

(1) The Participant is eligible for a Special Enrollment Period to enroll in a qualified health plan through a Marketplace (federal or state exchange) pursuant to guidance issued by the Department of Health and Human Services and any other applicable guidance, or the Participant seeks to enroll in a qualified health plan through a Marketplace during the Marketplace's annual open enrollment period; and

(2) The revocation of the election of coverage under the group health plan corresponds to the intended enrollment of the Participant and any related individuals who cease coverage due to the revocation in a qualified health plan through a Marketplace for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

The Administrator may rely on the reasonable representation of a Participant who has an enrollment opportunity for a qualified health plan through a Marketplace that the Participant and related individuals have enrolled or intend to enroll in a qualified health plan for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

ARTICLE VI
HEALTH FLEXIBLE SPENDING ACCOUNT

6.1 ESTABLISHMENT OF PLAN

This Health Flexible Spending Account is intended to qualify as a medical reimbursement plan under Code section 105 and shall be interpreted in a manner consistent with such Code section and the Treasury regulations. Participants who elect to participate in this Health Flexible Spending Account may submit claims for the reimbursement of Medical Expenses. All amounts reimbursed shall be periodically paid from amounts allocated to the Health Flexible Spending Account. Periodic payments reimbursing Participants from the Health Flexible Spending Account shall in no event occur less frequently than monthly.

6.2 DEFINITIONS

For the purposes of this Article, the terms below have the following meaning:

(a) **Health Flexible Spending Account** means the account established for Participants pursuant to the Plan to which part of their Cafeteria Plan Benefit Dollars may be

allocated and from which all allowable Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents may be reimbursed.

(b) **Highly Compensated Participant** means, for the purposes of this Article and determining discrimination under Code section 105(h), a Participant who is:

(1) one of the 5 highest paid officers of the Employer;

(2) among the highest paid 25 percent of all Employees (other than exclusions permitted by Code section 105(h)(3)(B) for those individuals who are not Participants).

(c) **Medical Expenses** means any expense for medical care within the meaning of the term "medical care" as defined in Code section 213(d) and the rulings and Treasury regulations, and not otherwise used by the Participant as a deduction in determining his or her tax liability under the Code. "Medical Expenses" can be incurred by the Participant, his or her Spouse and his or her Dependents. "Incurred" means, with regard to Medical Expenses, when the Participant is provided with the medical care that gives rise to the Medical Expense and not when the Participant is formally billed or charged for, or pays for, the medical care.

A Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or his or her Spouse or Dependent.

A Participant may not be reimbursed for "qualified long-term care services" as defined in Code section 7702B(c).

6.3 FORFEITURES6.3 p.96.3

The amount in the Health Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 6.7 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason, subject to Section 9.2.

6.4 LIMITATION ON ALLOCATIONS6.4 p.96.4

(a) Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, the maximum amount of salary reductions that may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year is the statutory amount under Code section 125(i), as adjusted for increases in the cost of living. The cost of living adjustment in effect for a calendar year applies to any Plan Year beginning with or within such calendar year. The dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Year beginning with or within such calendar year. For any short Plan Year, the limit shall be an amount equal to the limit for the calendar year in which the Plan Year begins multiplied by the ratio obtained by dividing the number of full months in the short Plan Year by twelve (12).

(b) **Participation in Other Plans.** All employers that are treated as a single employer under Code sections 414(b), (c), or (m), relating to controlled groups and affiliated service groups, are treated as a single employer for purposes of the statutory limit. If a Participant participates in multiple cafeteria plans offering health flexible spending accounts maintained by members of a controlled group or affiliated service group, the Participant's total Health Flexible

Spending Account contributions under all of the cafeteria plans are limited to the statutory limit (as adjusted). However, a Participant employed by two or more employers that are not members of the same controlled group may elect up to the statutory limit (as adjusted) under each Employer's Health Flexible Spending Account.

(c) **Grace Period.** The Grace Period is the period that begins immediately following the close of a Plan Year and ends on the day that is 2 months plus 15 days following the close of that Plan Year. A Participant who has unused benefits or contributions relating to a Health Flexible Spending Account from the immediately preceding Plan Year and who incurs expenses for that same Benefit during the Grace Period may be paid or reimbursed for those expenses as if the expenses had been incurred in the immediately preceding Plan Year. Amounts carried into the next Plan Year as part of the Grace Period shall not affect the limit for that next Plan Year.

6.5 NONDISCRIMINATION REQUIREMENTS6.5 p.96.5

(a) **Intent to be nondiscriminatory.** It is the intent of this Health Flexible Spending Account not to discriminate in violation of the Code and the Treasury regulations.

(b) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination under this Health Flexible Spending Account, it may, but shall not be required to, reject any elections or reduce contributions or Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Health Flexible Spending Account by the member of the group in whose favor discrimination may not occur pursuant to Code section 105 that elected to contribute the highest amount to the fund for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section or the Code are satisfied, or until the amount designated for the fund equals the amount designated for the fund by the next member of the group in whose favor discrimination may not occur pursuant to Code section 105 who has elected the second highest contribution to the Health Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section or the Code are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and credited to the benefit plan surplus.

6.6 COORDINATION

All Participants in the Plan are eligible to receive Benefits under this Health Flexible Spending Account. The enrollment under the Cafeteria Plan shall constitute enrollment under this Health Flexible Spending Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

6.7 HEALTH FLEXIBLE SPENDING ACCOUNT CLAIMS6.7 p.106.7

(a) **Expenses must be incurred during Plan Year.** All Medical Expenses incurred by a Participant, his or her Spouse and his or her Dependents during the Plan Year including the Grace Period shall be reimbursed during the Plan Year subject to Section 2.5, even though the submission of such a claim occurs after participation ceases; but provided that the Medical Expenses were incurred during the applicable Plan Year. Medical Expenses are treated as having been incurred when the Participant is provided with the medical care that gives rise to the

medical expenses, not when the Participant is formally billed or charged for, or pays for the medical care.

(b) **Reimbursement available throughout Plan Year.** The Administrator shall direct the reimbursement to each eligible Participant for all allowable Medical Expenses, up to a maximum of the amount designated by the Participant for the Health Flexible Spending Account for the Plan Year. Reimbursements shall be made available to the Participant throughout the year without regard to the level of Cafeteria Plan Benefit Dollars that have been allocated to the fund at any given point in time. Furthermore, a Participant shall be entitled to reimbursements only for amounts in excess of any payments or other reimbursements under any health care plan covering the Participant and/or his or her Spouse or Dependents.

(c) **Payments.** Reimbursement payments under this Plan shall be made directly to the Participant. However, in the Administrator's discretion, payments may be made directly to the service provider. The application for payment or reimbursement shall be made to the Administrator on an acceptable form within a reasonable time of incurring the debt or paying for the service. The application shall include a written statement from an independent third party stating that the Medical Expense has been incurred and the amount of such expense. Furthermore, the Participant shall provide a written statement that the Medical Expense has not been reimbursed or is not reimbursable under any other health plan coverage and, if reimbursed from the Health Flexible Spending Account, such amount will not be claimed as a tax deduction. The Administrator shall retain a file of all such applications.

(d) **Grace Period.** Notwithstanding anything in this Section to the contrary, Medical Expenses incurred during the Grace Period, up to the remaining account balance, shall also be deemed to have been incurred during the Plan Year to which the Grace Period relates.

(e) **Claims for reimbursement.** Claims for the reimbursement of Medical Expenses incurred in any Plan Year shall be paid as soon after a claim has been filed as is administratively practicable; provided however, that if a Participant fails to submit a claim within 90 days after the end of the Plan Year, those Medical Expense claims shall not be considered for reimbursement by the Administrator.

6.8 DEBIT AND CREDIT CARDS

Participants may, subject to a procedure established by the Administrator and applied in a uniform nondiscriminatory manner, use debit and/or credit (stored value) cards ("cards") provided by the Administrator and the Plan for payment of Medical Expenses, subject to the following terms:

(a) **Card only for medical expenses.** Each Participant issued a card shall certify that such card shall only be used for Medical Expenses. The Participant shall also certify that any Medical Expense paid with the card has not already been reimbursed by any other plan covering health benefits and that the Participant will not seek reimbursement from any other plan covering health benefits.

(b) **Card issuance.** Such card shall be issued upon the Participant's effective date of participation and reissued for each Plan Year the Participant remains a Participant in the Health Flexible Spending Account. Such card shall be automatically cancelled upon the Participant's death or termination of employment, or if such Participant has a change in status that results in the Participant's withdrawal from the Health Flexible Spending Account.

(c) **Maximum dollar amount available.** The dollar amount of coverage available on the card shall be the amount elected by the Participant for the Plan Year. The maximum dollar amount of coverage available shall be the maximum amount for the Plan Year as set forth in Section 6.4.

(d) **Only available for use with certain service providers.** The cards shall only be accepted by such merchants and service providers as have been approved by the Administrator following IRS guidelines.

(e) **Card use.** The cards shall only be used for Medical Expense purchases at these providers, including without limitation the following:

(1) Co-payments for doctor and other medical care;

(2) Purchase of drugs prescribed by a health care provider, including, if permitted by the Administrator, over-the-counter medications as allowed under IRS regulations;

(3) Purchase of medical items such as eyeglasses, syringes, crutches, etc.

(f) **Substantiation.** Such purchases by the cards shall be subject to substantiation by the Administrator, usually by submission of a receipt from a service provider describing the service, the date and the amount. The Administrator shall also follow the requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be conditional pending confirmation and substantiation.

(g) **Correction methods.** If such purchase is later determined by the Administrator to not qualify as a Medical Expense, the Administrator, in its discretion, shall use one of the following correction methods to make the Plan whole. Until the amount is repaid, the Administrator shall take further action to ensure that further violations of the terms of the card do not occur, up to and including denial of access to the card.

(1) Repayment of the improper amount by the Participant;

(2) Withholding the improper payment from the Participant's wages or other compensation to the extent consistent with applicable federal or state law;

(3) Claims substitution or offset of future claims until the amount is repaid; and

(4) if subsections (1) through (3) fail to recover the amount, consistent with the Employer's business practices, the Employer may treat the amount as any other business indebtedness.

6.9 QUALIFIED RESERVIST DISTRIBUTIONS

(a) **Qualified Reservist Distribution.** A Participant may request a Qualified Reservist Distribution, provided the following provisions are satisfied. "Qualified Reservist Distribution" means any distribution to a Participant of all or a portion of the balance in the Participant's Health Flexible Spending Account if:

(1) Such Participant was an individual who was (by reason of being a member of a reserve component (as defined in Section 101 of Title 37, United States Code)) ordered or called to active duty for a period of 180 days or more or for an indefinite period.

(2) A Participant may have been called prior to June 18, 2008, provided the individual's active duty continues after June 18, 2008, and the period of duty complies with subsection (a).

(3) The distribution is made during the period beginning on the date of the order or call that applies to the Participant and ending on the last day of the Plan Year (or Grace Period) which includes the date of such order or call.

(4) The Qualified Reservist Distribution option is offered to all Participants who qualify under this Article.

(5) Qualified Reservist Distributions may only be made if the Participant is ordered or called to active duty, not the Participant's Spouse or dependents.

(6) Under Section 101 of the Title 37 of the United States Code, "reserve component" means: (1) the Army National Guard, (2) the Army Reserve, (3) the Navy Reserve, (4) the Marine Corps Reserve, (5) the Air National Guard, (6) the Air Force Reserve, (7) the Coast Guard Reserve, or (8) the Reserve Corps of the Public Health Service.

(b) **Conditions:** The following conditions apply:

(1) The Employer must receive a copy of the order or call to active duty and may rely on the order or call to determine the period that the Participant has been ordered or called to duty.

(2) Eligibility for a Qualified Reservist Distribution is not affected if the order or call is for 180 days or more or is indefinite, but the actual period of active duty is less than 180 days or is changed otherwise from the order or call.

(3) If the original order is less than 180 days, then no Qualified Reservist Distribution is allowed. However, if subsequent calls or orders increase the total days of active duty to 180 or more, then a Qualified Reservist Distribution will be allowed.

(c) **Amount:** The amount a Participant may be reimbursed from the Health Flexible Spending Account is the amount contributed by the Participant to the Health Flexible Spending Account as of the date of the distribution request, less any reimbursements received as of the date of the distribution request.

(d) **Procedure.** The Employer must specify a process for requesting the distribution. The Employer may limit the number of distributions processed for a Participant to one (1) per Plan Year. The distribution request must be made on or after the call or order and before the last day of the Grace Period. The QRD shall be paid within a reasonable time but in no event more than 60 days after the date of the request.

(e) **Claims.** Claims incurred prior to the date of the request of the distribution shall be paid as any other claim. Claims incurred after the date of the distribution shall not be paid and the Participant's right to submit a claim shall be terminated as of the date of the distribution request.

ARTICLE VII
DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

7.1 ESTABLISHMENT OF ACCOUNT

This Dependent Care Flexible Spending Account is intended to qualify as a program under Code section 129 and shall be interpreted in a manner consistent with such Code section. Participants who elect to participate in this program may submit claims for the reimbursement of Employment-Related Dependent Care Expenses. All amounts reimbursed shall be paid from amounts allocated to the Participant's Dependent Care Flexible Spending Account.

7.2 DEFINITIONS

For the purposes of this Article, the terms below shall have the following meaning:

(a) **Dependent Care Flexible Spending Account** means the account established for a Participant pursuant to this Article to which part of his or her Cafeteria Plan Benefit Dollars may be allocated and from which Employment-Related Dependent Care Expenses of the Participant may be reimbursed for the care of the Qualifying Dependents of Participants.

(b) **Earned Income** means earned income as defined under Code section 32(c)(2), but excluding such amounts paid or incurred by the Employer for dependent care assistance to the Participant.

(c) **Employment-Related Dependent Care Expenses** means the amounts paid for expenses of a Participant for those services which if paid by the Participant would be considered employment-related expenses under Code section 21(b)(2). Generally, they shall include expenses for household services and for the care of a Qualifying Dependent, to the extent that such expenses are incurred to enable the Participant to be gainfully employed for any period for which there are one or more Qualifying Dependents with respect to such Participant. Employment-Related Dependent Care Expenses are treated as having been incurred when the Participant's Qualifying Dependents are provided with the dependent care that gives rise to the Employment-Related Dependent Care Expenses, not when the Participant is formally billed or charged for or pays for the dependent care. The determination of whether an amount qualifies as an Employment-Related Dependent Care Expense shall be made subject to the following rules:

(1) If such amounts are paid for expenses incurred outside the Participant's household, they shall constitute Employment-Related Dependent Care Expenses only if incurred for a Qualifying Dependent as defined in Section 7.2(d)(1) (or deemed to be, as described in Section 7.2(d)(1) pursuant to Section 7.2(d)(3)), or for a Qualifying

Dependent as defined in Section 7.2(d)(2) (or deemed to be, as described in Section 7.2(d)(2) pursuant to Section 7.2(d)(3)) who regularly spends at least 8 hours per day in the Participant's household;

(2) If the expense is incurred outside the Participant's home at a facility that provides care for a fee, payment, or grant for more than six individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any; and

(3) Employment-Related Dependent Care Expenses of a Participant shall not include amounts paid or incurred to a child of such Participant who is under the age of 19 or to an individual who is a Dependent of such Participant or such Participant's Spouse.

(d) **Qualifying Dependent** means, for Dependent Care Flexible Spending Account purposes,

(1) a Participant's Dependent (as defined in Code section 152(a)(1)) who has not attained age 13; 7.2(d)(1) p.127.2(d)(1)

(2) a Dependent or the Spouse of a Participant who is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the Participant for more than one-half of such taxable year; or7.2(d)(2) p.127.2(d)(2)

(3) a child that is deemed to be a Qualifying Dependent described in paragraph (1) or (2) above, whichever is appropriate, pursuant to Code section 21(e)(5). 7.2(d)(3) p.127.2(d)(3)

7.3 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

The Administrator shall establish a Dependent Care Flexible Spending Account for each Participant who elects to apply Cafeteria Plan Benefit Dollars to Dependent Care Flexible Spending Account benefits.

7.4 INCREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be increased each pay period by the portion of Cafeteria Plan Benefit Dollars that he or she has elected to apply toward his or her Dependent Care Flexible Spending Account pursuant to elections made under Article V hereof.

7.5 DECREASES IN DEPENDENT CARE FLEXIBLE SPENDING ACCOUNTS

A Participant's Dependent Care Flexible Spending Account shall be reduced by the amount of any Employment-Related Dependent Care Expense reimbursements paid or incurred on behalf of a Participant pursuant to Section 7.12 hereof.

7.6 ALLOWABLE DEPENDENT CARE REIMBURSEMENT 7.6 p.137.6

Subject to limitations contained in Section 7.9 of the Plan, and to the extent of the amount contained in the Participant's Dependent Care Flexible Spending Account, a Participant who incurs Employment-Related Dependent Care Expenses shall be entitled to receive from the Employer full reimbursement for the entire amount of such expenses incurred during the Plan Year or portion of the Plan Year during which he is a Participant.

7.7 ANNUAL STATEMENT OF BENEFITS

On or before January 31st of each calendar year, the Employer shall furnish to each Employee who was a Participant and received benefits under Section 7.6 during the prior calendar year, a statement of all such benefits paid to or on behalf of such Participant during the prior calendar year. This statement is set forth on the Participant's Form W-2.

7.8 FORFEITURES7.8 p.137.8

The amount in a Participant's Dependent Care Flexible Spending Account as of the end of any Plan Year (and after the processing of all claims for such Plan Year pursuant to Section 7.12 hereof) shall be forfeited and credited to the benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason.

7.9 LIMITATION ON PAYMENTS7.9 p.137.9

Notwithstanding any provision contained in this Article to the contrary, amounts paid from a Participant's Dependent Care Flexible Spending Account in or on account of any taxable year of the Participant shall not exceed the lesser of the Earned Income limitation described in Code section 129(b) or $5,000 ($2,500 if a separate tax return is filed by a Participant who is married as determined under the rules of paragraphs (3) and (4) of Code section 21(e)). The Employer may contribute to the Participant's Dependent Care Flexible Spending Account in such amount and at such times as determined by the Employer; provided that the total of contributions by the Employer and the Participant with a calendar year do not exceed the limits set forth above. As of the Effective Date, it is the Employer's intention to contribute 25% of the amount contributed by the Participant, subject in the aggregate to the limits described above.

7.10 NONDISCRIMINATION REQUIREMENTS7.10 p.137.10

(a) **Intent to be nondiscriminatory.** It is the intent of this Dependent Care Flexible Spending Account that contributions or benefits not discriminate in favor of the group of employees in whose favor discrimination may not occur under Code section 129(d).

(b) **Adjustment to avoid test failure.** If the Administrator deems it necessary to avoid discrimination or possible taxation to a group of employees in whose favor discrimination may not occur in violation of Code section 129 it may, but shall not be required to, reject any elections or reduce contributions or non-taxable benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reject any elections or reduce contributions or Benefits, it shall be done in the following manner. First, the Benefits designated for the Dependent Care Flexible Spending Account by the affected Participant that elected to contribute the highest amount to such account for the Plan Year shall be reduced until the nondiscrimination tests set forth in this Section are satisfied, or until the amount designated for the account equals the amount designated for the account of the affected Participant who has elected the second highest contribution to the Dependent Care Flexible Spending Account for the Plan Year. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited.

7.11 COORDINATION

All Participants in the Plan are eligible to receive Benefits under this Dependent Care Flexible Spending Account. The enrollment and termination of participation under the Cafeteria Plan shall constitute enrollment and termination of participation under this Dependent Care Flexible Spending

Account. In addition, other matters concerning contributions, elections and the like shall be governed by the general provisions of the Cafeteria Plan.

7.12 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT CLAIMS7.12 p.147.12

The Administrator shall direct the payment of all such Dependent Care claims to the Participant upon the presentation to the Administrator of documentation of such expenses in a form satisfactory to the Administrator. However, in the Administrator's discretion, payments may be made directly to the service provider. In its discretion in administering the Plan, the Administrator may utilize forms and require documentation of costs as may be necessary to verify the claims submitted. At a minimum, the form shall include a statement from an independent third party as proof that the expense has been incurred during the Plan Year including the Grace Period and the amount of such expense. In addition, the Administrator may require that each Participant who desires to receive reimbursement under this Program for Employment-Related Dependent Care Expenses submit a statement which may contain some or all of the following information:

(a) The Dependent or Dependents for whom the services were performed;

(b) The nature of the services performed for the Participant, the cost of which he wishes reimbursement;

(c) The relationship, if any, of the person performing the services to the Participant;

(d) If the services are being performed by a child of the Participant, the age of the child;

(e) A statement as to where the services were performed;

(f) If any of the services were performed outside the home, a statement as to whether the Dependent for whom such services were performed spends at least 8 hours a day in the Participant's household;

(g) If the services were being performed in a day care center, a statement:

(1) that the day care center complies with all applicable laws and regulations of the state of residence,

(2) that the day care center provides care for more than 6 individuals (other than individuals residing at the center), and

(3) of the amount of fee paid to the provider.

(h) If the Participant is married, a statement containing the following:

(1) the Spouse's salary or wages if he or she is employed, or

(2) if the Participant's Spouse is not employed, that

(i) he or she is incapacitated, or

(ii) he or she is a full-time student attending an educational institution and the months during the year which he or she attended such institution.

(i) Notwithstanding anything in this Section to the contrary, Employment-Related Dependent Care Expenses incurred during the Grace Period, up to the remaining account balance, shall also be deemed to have been incurred during the Plan Year to which the Grace Period relates.

(j) If a Participant fails to submit a claim by March 31 of the year following the of the Plan Year, those claims shall not be considered for reimbursement by the Administrator.

ARTICLE VIII
HEALTH SAVINGS ACCOUNT

8.1 HEALTH SAVINGS ACCOUNT BENEFITS.7.12 p.147.12

An Eligible Employee can elect to participate in the Health Savings Account Benefit by electing to pay the Contributions on a pre-tax Salary Reduction basis to the Participant's Health Savings Account established and maintained outside the Plan by a trustee/custodian to which the Employer can forward contributions to be deposited. This funding feature constitutes the Health Savings Account Benefit offered under this Plan. Such election can be increased, decreased or revoked prospectively at any time during the Plan Year, effective no later than the first day of the next calendar month following the date that the election change was filed. Health Savings Account Benefits cannot be elected with Health Flexible Spending Account Benefits.

8.2 CONTRIBUTIONS FOR COST OF COVERAGE; MAXIMUM LIMITS.7.12 p.147.12

The annual contribution for a Participant's Health Savings Account Benefits is equal to the annual benefit amount elected by the Participant, but in no event shall the amount elected exceed the statutory maximum amount for Health Savings Account contributions applicable to the Participant's High-Deductible Health Plan coverage option (i.e., single or family) for the calendar year in which the contribution is made. An additional catch-up contribution of the limit established from time to time by the Internal Revenue Service may be made for Participants who are age 55 or older. In addition, the maximum annual contribution shall be:

(a) reduced by any matching or other Employer contribution made on the Participant's behalf; and

(b) prorated for the number of months in which the Participant is an HSA-Eligible Individual.

8.3 RECORDING CONTRIBUTIONS.7.12 p.147.12

As described in Section 8.5, the Health Savings Account is not an employer-sponsored employee benefit plan-it is an individual trust or custodial account separately established and maintained by a trustee/custodian outside the Plan. Consequently, the Health Savings Account trustee/custodian, not the Employer, will establish and maintain the Health Savings Account. The Health Savings Account trustee/custodian will be chosen by the Participant, not by the Employer. The Employer may, however, limit the number of Health Savings Account providers to whom it will forward contributions that the Employee makes via pre-tax Salary Reductions-such a list is not an endorsement of any particular Health Savings Account provider. The Administrator will maintain records to keep track of Health Savings

Account Contributions an Employee makes via pre-tax Salary Reductions, but it will not create a separate fund or otherwise segregate assets for this purpose. The Employer has no authority or control over the funds deposited in an Health Savings Account.

8.4 TAX TREATMENT OF CONTRIBUTIONS AND DISTRIBUTIONS.7.12 p.147.12

The federal income tax treatment of the Health Savings Account, including contributions and distributions, is governed by Code section 223.

8.5 TRUST/CUSTODIAL AGREEMENT.

Health Savings Account Benefits under the Plan consist solely of the ability to make contributions to the Health Savings Account on a pre-tax Salary Reduction basis and including any contribution made by the Employer on behalf of the Participant. Terms and conditions of coverage and benefits (e.g., eligible medical expenses, claims procedures, etc.) will be provided by and are set forth in the Health Savings Account, not the Plan. The terms and conditions of each Participant's Health Savings Account trust or custodial account are described in the Health Savings Account trust or custodial agreement provided by the applicable trustee/custodian to each electing Participant and are not a part of the Plan.

The Health Savings Account is not an employer-sponsored employee benefits plan. It is a savings account that is established and maintained by a Health Savings Account trustee/custodian outside this Plan to be used primarily for reimbursement of "qualified eligible medical expenses" as set forth in Code section 223(d)(2). The Employer has no authority or control over the funds deposited in a Health Savings Account.

8.6 DEFINITIONS

For the purposes of this Article, the terms below shall have the following meaning:

(a) **High-Deductible Health Plan** means the high-deductible health plan offered by the Employer as a Health Insurance Benefit under the Benefit Options that is intended to qualify as a high-deductible health plan under Code section 223(c)(2), as described in materials provided separately by the Employer.

(b) **HSA-Eligible Individual** means an individual who is eligible to contribute to a Health Savings Account under Code section 223 and who has elected qualifying High Deductible Health Plan coverage offered by the Employer and who has not elected any disqualifying non-High Deductible Health Plan coverage offered by the Employer.

ARTICLE IX
BENEFITS AND RIGHTS

9.1 CLAIM FOR BENEFITS

(a) **Insurance claims.** Any claim for Benefits underwritten by the self-funded plan shall be made to the Employer. If the Employer denies any claim, the Participant or beneficiary shall follow the Employer's claims review procedure.

(b) **Dependent Care Flexible Spending Account or Health Flexible Spending Account claims.** Any claim for Dependent Care Flexible Spending Account or Health Flexible Spending Account Benefits shall be made to the Administrator. For the Health Flexible Spending Account, if a Participant fails to submit a claim on or before March 31 of the year after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator.

For the Dependent Care Flexible Spending Account, if a Participant fails to submit a claim on or before March 31 of the year after the end of the Plan Year, those claims shall not be considered for reimbursement by the Administrator. If the Administrator denies a claim, the Administrator may provide notice to the Participant or beneficiary, in writing, within 90 days after the claim is filed unless special circumstances require an extension of time for processing the claim. The notice of a denial of a claim shall be written in a manner calculated to be understood by the claimant and shall set forth:

(1) specific references to the pertinent Plan provisions on which the denial is based;

(2) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary; and

(3) an explanation of the Plan's claim procedure.

(c) **Appeal.** Within 60 days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the claim denial to the Administrator for a full and fair review. The claimant or his or her duly authorized representative may:

(1) request a review upon written notice to the Administrator;

(2) review pertinent documents; and

(3) submit issues and comments in writing.

(d) **Review of appeal.** A decision on the review by the Administrator will be made not later than 60 days after receipt of a request for review, unless special circumstances require an extension of time for processing (such as the need to hold a hearing), in which event a decision should be rendered as soon as possible, but in no event later than 120 days after such receipt. The decision of the Administrator shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based.

(e) **Forfeitures.** Any balance remaining in the Participant's Health Flexible Spending Account or Dependent Care Flexible Spending Account as of the end of the time for claims reimbursement for each Plan Year and Grace Period (if applicable) shall be forfeited and deposited in the benefit plan surplus of the Employer pursuant to Section 6.3 or Section 7.8, whichever is applicable, unless the Participant had made a claim for such Plan Year, in writing, which has been denied or is pending; in which event the amount of the claim shall be held in his or her account until the claim appeal procedures set forth above have been satisfied or the claim is paid. If any such claim is denied on appeal, the amount held beyond the end of the Plan Year shall be forfeited and credited to the benefit plan surplus.

9.2 APPLICATION OF BENEFIT PLAN SURPLUS8.2 p.158.2

Any forfeited amounts credited to the benefit plan surplus by virtue of the failure of a Participant to incur a qualified expense or seek reimbursement in a timely manner may, but need not be, separately accounted for after the close of the Plan Year (or after such further time specified in the Plan for the filing of claims) in which such forfeitures arose. In no event shall such amounts be carried

over to reimburse a Participant for expenses incurred during a subsequent Plan Year for the same or any other Benefit available under the Plan; nor shall amounts forfeited by a particular Participant be made available to such Participant in any other form or manner, except as permitted by Treasury regulations. Amounts in the benefit plan surplus shall be used to defray any administrative costs and experience losses or used to provide additional benefits under the Plan. No amounts attributable to the Health Savings Account shall be subject to the benefit plan surplus.

ARTICLE X
ADMINISTRATION

10.1 PLAN ADMINISTRATION 9.1 p.159.1

The Employer shall be the Administrator, unless the Employer elects otherwise. The Employer may appoint any person including without limitation one or more employees of the Employer to perform the duties of the Administrator. Any person so appointed shall signify acceptance by filing acceptance in writing (or such other form as acceptable to both parties) with the Employer. Upon the resignation or removal of any individual performing the duties of the Administrator, the Employer may designate a successor.

If the Employer elects, the Employer shall appoint one or more Administrators. Any person, including without limitation the employees of the Employer, shall be eligible to serve as an Administrator. An Administrator may resign by delivering a resignation in writing (or such other form as acceptable to both parties) to the Employer or be removed by the Employer by delivery of notice of removal (in writing or such other form as acceptable to both parties), to take effect at a date specified in such notice, or upon delivery to the Administrator if no date is specified. The Employer shall be empowered to appoint and remove the Administrator from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Employees entitled to participate in the Plan in accordance with the terms of the Plan and the Code.

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have full power and discretion to administer the Plan in all of its details and determine all questions arising in connection with the administration, interpretation, and application of the Plan. The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan. The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan. The Administrator shall be charged with the duties of the general administration of the Plan as set forth under the Plan, including without limitation the following:

(a) To make and enforce such procedures, rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;

(b) To interpret the provisions of the Plan, the Administrator's interpretations in good faith to be final and conclusive on all persons claiming benefits by operation of the Plan;

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided by operation of the Plan;

(d) To reject elections or to limit contributions or Benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;

(e) To provide Employees with a reasonable notification of their benefits available by operation of the Plan and to assist any Participant regarding the Participant's rights, benefits or elections under the Plan;

(f) To keep and maintain the Plan documents and all other records pertaining to and necessary for the administration of the Plan;

(g) To review and settle all claims against the Plan, to approve reimbursement requests, and to authorize the payment of benefits if the Administrator determines such shall be paid if the Administrator decides in its discretion that the applicant is entitled to them. This authority specifically permits the Administrator to settle disputed claims for benefits and any other disputed claims made against the Plan; and

(h) To appoint such agents, counsel, accountants, consultants, and other persons or entities as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of Code section 125 and the Treasury regulations.

10.2 EXAMINATION OF RECORDS

The Administrator shall make available to each Participant, Eligible Employee and any other Employee of the Employer such records as pertain to their interest under the Plan for examination at reasonable times during normal business hours.

10.3 PAYMENT OF EXPENSES

Any reasonable administrative expenses shall be paid by the Employer unless the Employer determines that administrative costs shall be borne by the Participants under the Plan. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

10.4 INSURANCE CONTROL CLAUSE

In the event of a conflict between the terms of this Plan and the terms of an Insurance Contract of an independent third-party Insurer whose product is then being used in conjunction with this Plan or the terms of a self-funded group health plan, the terms of the Insurance Contract or self-funded group health plan shall control as to those Participants receiving coverage under such Insurance Contract. For this purpose, the Insurance Contract or self-funded group health plan shall control in defining the persons eligible for insurance, the dates of their eligibility, the conditions that must be satisfied to become insured, if any, the benefits Participants are entitled to and the circumstances under which insurance terminates.

ARTICLE XI
AMENDMENT OR TERMINATION OF PLAN

11.1 AMENDMENT

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant. No amendment shall have the effect of modifying any benefit election of any Participant in effect at the time of such amendment, unless such amendment is made to comply with Federal, state or local laws, statutes or regulations.

11.2 TERMINATION10.2 p.1710.2

The Employer reserves the right to terminate this Plan, in whole or in part, at any time. In the event the Plan is terminated, no further contributions shall be made. Benefits under any Contract shall be paid in accordance with the terms of the Contract.

No further additions shall be made to the Health Flexible Spending Account or Dependent Care Flexible Spending Account, but all payments from such fund shall continue to be made according to the elections in effect until 90 days after the termination date of the Plan or such other date as may be determined by the Administrator. Any amounts remaining in any such fund or account as of the end of such period shall be forfeited and deposited in the benefit plan surplus after the expiration of the filing period.

ARTICLE XII
MISCELLANEOUS

12.1 PLAN INTERPRETATION

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 12.11.

12.2 GENDER, NUMBER AND TENSE

Wherever any words are used in the Plan in one gender, they shall be construed as though they were also used in all genders in all cases where they would so apply; whenever any words are used in the Plan in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply; and whenever any words are used in the Plan in the past or present tense, they shall be construed as though they were also used in the other form in all cases where they would so apply.

12.3 WRITTEN DOCUMENT

This Plan, in conjunction with any separate written document that may be required by law, is intended to satisfy the written Plan requirement of Code section 125 and any Treasury regulations relating to cafeteria plans.

12.4 EXCLUSIVE BENEFIT

This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

12.5 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge

any Participant or Employee at any time regardless of the effect which such discharge shall have upon him or her as a Participant of this Plan.

12.6 ACTION BY THE EMPLOYER

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

12.7 NO GUARANTEE OF TAX CONSEQUENCES

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

12.8 REPAYMENT OF EMPLOYER BY PARTICIPANTS

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall repay the Employer for any such payment or reimbursement it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such repayment shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant as regular cash compensation, plus the Participant's share of any applicable payroll tax that would have been paid on such compensation, less any such additional income and payroll tax actually paid by the Participant.

12.9 FUNDING

Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit but may instead be considered general assets of the Employer. Furthermore, and unless otherwise required by law, nothing in the Plan shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the Plan may be made.

12.10 GOVERNING LAW

The Plan is governed by the Code and the Treasury regulations. In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal law, the provisions of this Plan shall be construed, enforced, and administered according to the laws of the State of Texas.

12.11 SEVERABILITY11.11 p.1811.11

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

12.12 CAPTIONS

The captions contained in the Plan are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision of the Plan.

12.13 CONTINUATION OF COVERAGE11.13 p.1811.13

Notwithstanding anything in the Plan to the contrary, in the event any benefit under the Plan subject to the continuation coverage requirement of Code section 4980B becomes unavailable, each Participant will be entitled to continuation coverage as prescribed in Code section 4980B, and related regulations.

12.14 FAMILY AND MEDICAL LEAVE ACT

Notwithstanding anything in the Plan to the contrary, in the event any benefit under the Plan becomes subject to the requirements of the Family and Medical Leave Act and regulations, the Plan shall be operated in accordance with Treasury regulation section 1.125-3.

12.15 UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT

Notwithstanding any provision of the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with the Uniform Services Employment and Reemployment Rights Act.

12.16 COMPLIANCE WITH HIPAA PRIVACY STANDARDS

The Plan is subject to the provisions of the Employer's HIPAA Amendment for Health Benefit Programs, as adopted April 28, 2021, a copy of which is included in Exhibit A.

12.17 COMPLIANCE WITH HIPAA ELECTRONIC SECURITY STANDARDS

Under the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164.300 et. seq., the "Security Standards"):

(a) **Implementation.** The Employer agrees to implement reasonable and appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of Electronic Protected Health Information that the Employer creates, maintains or transmits on behalf of the Plan. "Electronic Protected Health Information" shall have the same definition as set out in the Security Standards, but generally means Protected Health Information that is transmitted by or maintained in electronic media.

(b) **Agents or subcontractors shall meet security standards.** The Employer shall ensure that any agent or subcontractor to whom it provides Electronic Protected Health Information shall agree, in writing, to implement reasonable and appropriate security measures to protect the Electronic Protected Health Information.

(c) **Employer shall ensure security standards.** The Employer shall ensure that reasonable and appropriate security measures are implemented to comply with the conditions and requirements of this Section.

12.18 MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Mental Health Parity and Addiction Equity Act.

12.19 GENETIC INFORMATION NONDISCRIMINATION ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Genetic Information Nondiscrimination Act.

12.20 WOMEN'S HEALTH AND CANCER RIGHTS ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Women's Health and Cancer Rights Act of 1998.

12.21 NEWBORNS' AND MOTHERS' HEALTH PROTECTION ACT

Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Newborns' and Mothers' Health Protection Act.

IN WITNESS WHEREOF, Parkland Health has caused this Plan to be executed on this ___ day of December, 2022.

Parkland Health

By: _____

Title: _____

EXHIBIT A: HIPAA AMENDMENT FOR HEALTH BENEFIT PROGRAMS

DALLAS COUNTY HOSPITAL DISTRICT d/b/a
PARKLAND HEALTH

EMPLOYEE HEALTH PLAN

AMENDMENT TO HIPAA ADMINISTRATIVE SIMPLIFICATION
MEDICAL PRIVACY AND SECURITY PROVISIONS

Use and Disclosure of Protected Health Information
Under HIPAA Privacy and Security Regulations

Dallas County Hospital District d/b/a Parkland Health ("Parkland") sponsors the following employee health plans that are collectively referred to in this Amendment as the "Health Plan:" the Dallas County Hospital District d/b/a Parkland Health Employee Health Plan including plans for medical, surgical and other health benefits, prescription drug, dental, and vision plan coverage, the employee assistance program and health care flexible spending account plan. This Amendment does not apply to programs such as workers' compensation, disability, and life insurance, and leave provided under the Family and Medical Leave Act.

Certain designated members of Parkland's workforce have access to the individually identifiable health information of Health Plan participants for Plan Administrative Purposes. When this health information is provided from the Health Plan to Parkland, it generally is Protected Health Information ("PHI"). The term "PHI," which includes electronic or "E-PHI," has the meaning set forth in the Health Insurance Portability and Accountability Act of 1996 and that law's implementing regulations, as they may be amended from time to time (collectively "HIPAA"). However, PHI in this context will not include "enrollment information" as defined by HIPAA except to the extent required by applicable law.

HIPAA restricts Parkland's ability to use and disclose PHI to certain defined circumstances described in this Amendment.

The Health Plan will Use a Covered Person's PHI to the extent of and in accordance with the Uses and Disclosures permitted by HIPAA as described in the Notice of Privacy Practices. Specifically, the Health Plan will Use and Disclose a Covered Person's PHI for purposes related to health care Treatment, Payment for health care and Health Care Operations. Additionally, the Health Plan will Use and Disclose a Covered Person's PHI as required by law and as permitted by a Covered Person's authorization.

Parkland shall have access to PHI from the Health Plan only as permitted under this Amendment or as otherwise required or permitted by HIPAA.

This Amendment is effective as of April 28, 2021.

This Amendment supersedes in its entirety the HIPAA Administrative Simplification, Medical Privacy and Security Provisions of the Health Plan document reflected on Pages 86 to 89, inclusive, in an instrument entitled "Health Booklet" as revised on January 1, 2019. Terms used with an initial capital letter in this Amendment have the meanings assigned to such terms in the Health Booklet unless a different meaning is expressly stated.

Provision of PHI to Parkland

1. **Enrollment/Disenrollment Information**. Enrollment and disenrollment information created by Parkland is not considered PHI and is not subject to Sections 3. and 4. of this Amendment. In addition, in accordance with 45 CFR §164.504(f)(1)(iii), the Health Plan may disclose to Parkland information on whether an individual is participating in the Health Plan, and Sections 3. and 4. of this Amendment do not apply to such disclosures.

2. **Permitted Uses and Disclosure of Summary Health Information**. The Health Plan may disclose Summary Health Information to Parkland, provided that Parkland requests the Summary Health Information for the purpose of (1) obtaining premium bids from health plans for providing health insurance coverage under the Health Plan; or (2) modifying, amending, or terminating the Health Plan. In accordance with 45 CFR §164.504(f)(1)(ii), Sections 3. and 4. of this Amendment do not apply to these disclosures of Summary Health Information. However, neither the Health Plan nor Parkland is permitted to disclose genetic information (as defined in 45 CFR §160.103) to Parkland for underwriting purposes (as defined in 45 CFR §164.502(a)(5)(i)).

3. **Permitted and Required Uses and Disclosure of PHI for Plan Administrative Purposes**. This Section 3. establishes the terms under which the Health Plan may share a Covered Person's PHI with Parkland and limits the Uses and Disclosures that Parkland may make of a Covered Person's PHI. The Health Plan may Disclose a Covered Person's PHI to Parkland to the extent the Disclosure is for Plan Administrative Purposes relating s to Payment under and Health Care Operations in the ordinary course of business or as otherwise required or allowed by applicable law. Parkland shall Use and/or Disclose a Covered Person's PHI, to the extent consistent with this Amendment, as described in Parkland's HIPAA Policies & Procedures or as otherwise required or allowed by applicable law. The Health Plan agrees that it will only Disclose a Covered Person's PHI to Parkland upon receipt of a certification from Parkland that the terms of this Section 3. and Section 4. have been adopted and that Parkland agrees to abide by these terms, as it does in Section 7. below. The execution of this Amendment by Parkland shall constitute such certification unless and until Parkland revokes these provisions.

4. **Conditions of Disclosure for Plan Administrative Purposes**. Parkland agrees as follows with respect to any PHI (other than PHI disclosed pursuant to a signed authorization that complies with the requirements of 45 CFR §164.508) disclosed to it by the Health Plan (or a Business Associate, health insurance issuer, or HMO on behalf of the Health Plan):

   a. Parkland will only Use and Disclose a Covered Person's PHI for Plan Administrative Purposes, as required by law or as permitted under the HIPAA regulations;

   b. Parkland will implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI that it creates, receives, maintains, or transmits on behalf of the Health Plan;

   c. Parkland will require each of its subcontractors or agents to whom Parkland may provide a Covered Person's PHI to agree to the same restrictions and conditions imposed on Parkland with regard to a Covered Person's PHI;

   d. Parkland will ensure that each of its subcontractors or agents to whom Parkland may provide PHI to agree to implement reasonable and appropriate security measures to protect PHI;

   e. Parkland will not Use or Disclose PHI for employment-related actions and decisions or in connection with any other of Parkland's benefits or employee benefit plans;

   f. Parkland will promptly report to the Health Plan any breach or impermissible or

improper Use or Disclosure of PHI not authorized by the Health Plan;

g. Parkland will report to the Health Plan any breach or security incident with respect to PHI of which Parkland becomes aware;

h. Parkland and the Health Plan will not use genetic information for underwriting purposes. For example, underwriting purposes will include determining eligibility, coverage, or payment under the Health Plan, with the exception of determining medical appropriateness of a treatment;

i. Parkland will allow a Covered Person or the Health Plan to inspect and copy any PHI about the Covered Person contained in the Designated Record Set that is in Parkland's custody or control, subject to exceptions permitted by law.

j. Parkland will amend or correct, or make available to the Health Plan to amend or correct, any portion of the Covered Person's PHI contained in the Designated Record Set to the extent permitted or required under the HIPAA regulations;

k. Parkland will provide a Covered Person who requests it a list of the disclosures of PHI which relate to that Covered Person. The list will not include disclosures made for Treatment, Payment, or Health Care Operations. It also will not include disclosures made pursuant to an authorization, made prior to six years before the date of the request, incidental disclosures, disclosures made for national security or intelligence, disclosures made for facility directory purposes, disclosures to persons involved in the Covered Person's care or payment for that care, disclosures to correctional institutions or for law enforcement purposes, or disclosures made as part of a limited data set. The list will include the date of any accountable disclosure, a brief description of the information disclosed (if available), and the purpose of the disclosure (provided this information is known to us). If a Covered Person requests the list more than once in a 12-month period, the Covered Person may be charged a reasonable fee.

l. Parkland will make its internal practices, books and records relating to the Use and Disclosure of a Covered Person's PHI available to the Health Plan and to the Department of Health and Human Services or its designee for the purpose of determining the Health Plan's compliance with HIPAA;

m. Parkland must, if feasible, return to the Health Plan or destroy all of a Covered Person's PHI that Parkland receives from or on behalf of the Health Plan when Parkland no longer needs the Covered Person's PHI to administer the Health Plan or for its own legally permissible Covered Entity activities. This includes all copies in any form, including any compilations derived from the PHI. If return or destruction is not feasible, Parkland agrees to restrict, and limit further Uses and Disclosures to the purposes that make the return or destruction infeasible;

n. Parkland will provide that adequate separation exists between the Health Plan and Parkland so that a Covered Person's PHI will be used only for Plan Administrative Purposes or other legally permissible use; and

o. Parkland will adopt safeguards as needed to limit unnecessary or inappropriate requests for, access to and disclosure of protected health information. Parkland will use reasonable efforts to request, disclose and use only the minimum necessary type and amount of a Covered Person's PHI to carry out functions for which the information is requested.

5. Additional Provisions Regarding Disclosure of PHI by the Health Plan To and Use by Parkland.

The Health Plan may Disclose PHI to Parkland for Plan Administrative Purposes relating to Health Care Operations of the Health Plan in the ordinary course of business, and may also Disclose to the extent consistent with 45 CFR §164.506(c)(4), and in either case to the extent the Disclosure is for:

a. conducting quality assessment and improvement activities, including outcomes evaluation and development of clinical guidelines, provided that the obtaining of generalizable knowledge is not the primary purpose of any studies resulting from such activities; patient safety activities; population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, contacting of health care providers and patients with information about treatment alternatives; and related functions that do not include treatment;

b. reviewing the competence or qualifications of health care professionals, evaluating practitioner and provider performance, health plan performance, conducting training programs in which students, trainees, or practitioners in areas of health care learn under supervision to practice or improve their skills as health care providers, training of non-health care professionals, accreditation, certification, licensing, or credentialing activities; or

c. for the purpose of health care fraud and abuse detection or compliance.

6. **Adequate Separation Between Health Plan and Parkland**. Employees who are working on behalf of Parkland in carrying out Plan Administrative Purposes may receive PHI, and then only the minimum necessary amount will be disclosed or used. Any Parkland employee accessing or using PHI on behalf of the Health Plan may do so only in carrying out Plan Administrative Purposes. This includes those Parkland units, affiliates and employees who perform services for the Health Plan as internal Business Associates.

The Health Plan may share information with other units within Parkland that assist Parkland with Plan Administrative Purposes. For example, the Health Plan may provide PHI to Parkland affiliate the Parkland Center for Clinical Innovation ("PCCI") to provide data analytic services in connection with case management and care coordination or other health care operations. The Health Plan may also share PHI with the Parkland Employee Health Center so that it may provide information to Covered Persons relating to improving health or reducing health care costs, case management and care coordination, and contacting Covered Persons with treatment alternatives. When other Parkland units or affiliates perform services for the Health Plan, those units are educated in HIPAA privacy and security requirements, receive only the minimum necessary information to complete their tasks, and must protect a Covered Person's PHI to the same extent the Health Plan must protect it.

No other persons shall have access to PHI. These specified employees (or classes of employees) shall have access to and use of PHI only to the extent necessary to carry out Plan Administrative Purposes.

If there is any non-compliance with the required commitments to the Health Plan, the issue of noncompliance will immediately be brought to the attention of the Health Plan's Privacy Officer. An employee who fails to adhere to the required commitments of the Health Plan with respect to PHI will be subject to discipline under Parkland's policies regarding HIPAA violations.

Parkland shall ensure that the provisions of this Amendment are supported by reasonable and appropriate security measures to the extent that the persons designated above create, receive, maintain, or transmit PHI on behalf of the Health Plan.

7. **Certification of Parkland as Plan Sponsor**. The Health Plan shall disclose PHI to Parkland only upon the receipt of a certification by Parkland that the Health Plan has been amended to incorporate the provisions of 45 CFR §164.504(f)(2)(ii), and that Parkland agrees to the conditions of Disclosure set forth in Section 4. These provisions shall serve as such certification, unless and until Parkland revokes these provisions.

8. **Definitions.**

Administrative Simplification is the section of HIPAA that addresses electronic transactions, privacy, and security. Its goals are to:

- Improve efficiency and effectiveness of the health care system;
- Standardize electronic data interchange of certain administrative transactions;
- Safeguard security and privacy of PHI;
- Improve efficiency to compile/analyze data, audit, and detect fraud; and
- Improve the Medicare and Medicaid programs.

Business Associate (BA) in relationship to a Covered Entity (CE) means a person to whom the CE discloses PHI so that a person can carry out, assist with the performance of, or perform on behalf of, a function or activity for the CE. This includes contractors or other persons who receive PHI from the CE (or from another business partner of the CE) for the purposes described in the previous sentence, including lawyers, auditors, consultants, third party administrators, health care clearinghouses, data processing firms, billing firms and other Covered Entities. This excludes persons who are within the CE's workforce.

Covered Entity (CE) is one of the following: a health plan; a health care clearinghouse; or a health care provider who transmits any health information in electronic form in connection with a transaction covered by HIPAA.

Covered Person means an individual who is the subject of PHI.

Designated Record Set means a set of records maintained by or for a Covered Entity that includes a Covered Persons' PHI. This includes medical records, billing records, enrollment, Payment, claims adjudication and case management record systems maintained by or for the Health Plan, to the extent required by HIPAA. This also includes records used to make decisions about Covered Persons.

Disclose or Disclosure is the release or divulgence of information by an entity to persons or organizations outside that entity.

Electronic Protected Health Information is Individually Identifiable Health Information that is transmitted by electronic media or maintained in electronic media. It is a subset of PHI.

Health Care Operations are general administrative and business functions of the CE. These activities include:

- Conducting quality assessment and improvement activities;
- Reviewing the competence or qualifications and accrediting/licensing of health care professional plans;

- Evaluating health care professional and health plan performance;
- Training future health care professionals;
- Insurance activities relating to the renewal of a contract for insurance;
- Conducting or arranging for medical review and auditing services;
- Compiling and analyzing information in anticipation of or for use in a civil or criminal legal proceeding;
- Population-based activities related to improving health or reducing health care costs, protocol development, case management and care coordination;
- Contacting of health care providers and patients with information about Treatment alternatives and related functions that do not entail direct patient care; and
- Activities related to the creation, renewal, or replacement of a contract for health insurance or health benefits, as well as ceding, securing, or placing a contract for reinsurance of risk relating to claims for health care (including stop-loss and excess of loss insurance).

Individually Identifiable Health Information is information that is a subset of health information, including demographic information collected from a Covered Person, and that:

- Is created by or received from a Covered Entity;
- Relates to the past, present or future physical or mental health or condition of a Covered Person, the provision of health care or the past, present or future Payment for the provision of health care; and
- Identifies the Covered Person or with respect to which there is reasonable basis to believe the information can be used to identify the Covered Person.

Payment means the activities of the Health Plan or a Business Associate, including the actual Payment under the policy or contract; and a health care provider or its Business Associate that obtains reimbursement for the provision of health care.

Plan Administrative Purposes means administrative functions performed by Parkland on behalf of the Health Plan, such as quality assurance, claims processing, auditing, monitoring, and Health Plan management (including financial and administrative oversight and HIPAA compliance). Plan Administrative Purposes do not include functions performed by Parkland in connection with any other benefit or benefit plan of Parkland (for example, long-term disability or life insurance) or any employment-related actions or decisions. Notwithstanding any provisions of the Health Plan to the contrary, in no event shall Parkland be permitted to use or disclose PHI in a manner that is inconsistent with 45 CFR §164.504(f).

Privacy Official is the individual who provides oversight of compliance with all policies and procedures related to the protection of PHI and Federal and state regulations related to a Covered Person's privacy.

Protected Health Information (PHI) is Individually Identifiable Health Information transmitted or maintained by a Covered Entity in written, electronic, or oral form.

Summary Health Information means information (1) that summarizes the claims history, claims expenses, or type of claims experienced by individuals for whom Parkland, as plan sponsor, has

provided health benefits under the Health Plan; and (2) from which the information described at 45 CFR §164.514(b)(2)(i) has been deleted, except that the geographic information described in 45 CFR §164.514(b)(2)(i)(B) need only be aggregated to the level of a five-digit ZIP code.

Treatment is the provision of health care by, or the coordination of health care (including health care management of the individual through risk assessment, case management and disease management) among, health care providers; the referral of a patient from one provider to another; or the coordination of health care or other services among health care providers and third parties authorized by the Health Plan or the individual.

Use means, with respect to Individually Identifiable Health Information, the sharing, employment, application, utilization, examination, or analysis of such information within an entity that maintains such information.

//Approved by the Dallas County Hospital District d/b/a Parkland Health Board of Managers on April 28, 2021.//

Parkland

Approve Contracts over $200,000

Full Board - Contracts for Approval

Item	Page No.	Contract Type	Service or Product	Supplier	Contract Term	Current Contract Approval Amount Request	New Approved Contract Value	Selection Method	Budgeted?	Business Owner / Dept.	MWBE %	MWBE Gender	MWBE Ethnicity
December 14, 2022													
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1		Expense	Bank Depository Services	JP Morgan Chase Bank, NA	1/1/2023 - 12/31/2026	$2,512,326	$2,512,326	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Joe Mayer, Finance Administration	0%	N/A	N/A
N2		Capital and Expense	Cisco Catalyst Series	Netsync Network Solutions	Last Signature - 1 Year	$499,998	$499,998	TXMAS or DIR Purchase	Yes	Darren Jones and Jeff DeFord, Information Technology	100%	Hispanic	Female
N3		Expense	Mod #12 Hospital Wide Courier Services Funding Only	Eagle Express	1/1/2019 - 12/31/2023	$317,430	$1,686,410	Non-Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tim Lenz, House Wide	0%	N/A	N/A

Full Board - Contracts for Approval

Item	Page No.	Contract Type	Service or Product	Supplier	Contract Term	Current Contract Approval Amount Request	New Approved Contract Value	Selection Method	Budgeted?	Business Owner / Dept.	MWBE %	MWBE Gender	MWBE Ethnicity
SOLE SOURCE CONTRACTS - Sorted by Size													
S1		Expense	Mod #4 radial align, stems, and screws for orthopedic implants	Skeletal Dynamics	12/15/2018 - 1/31/2025	$375,000	$720,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Perioperative Services Administration	0%	N/A	N/A
S2		Expense	Mod to Add Funds Total Joints	Smith & Nephew Inc.	6/15/2018 - No Expiration	$45,000	$244,999	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Perioperative Services Admin	0%	N/A	N/A
DEVIATION/RATIFICATION													
D1		Expense-Approved Deviation	Mod #3 Outpatient Dialysis Center - Term extension plus additional funding	Bio-Medical Applications of Texas, Inc.	12/1/2021 - 11/30/2023	$5,150,000	$7,910,000	Contract Extension without Competition	Yes	Marilyn Callies, Care Management	0%	N/A	N/A
D2		Expense-Approved Deviation	Mod #2 1 Yr. term extension for outpatient dialysis clinic services	Dallas Nephrology Associates	12/1/2021 - 11/30/2023	$500,000	$620,000	Contract Extension without Competition	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Marilyn Callies, Care Management	0%	N/A	N/A

Board Approval Request For Contracts Over $200,000

BOM Date: December 14, 2022	**Product or Service:** Bank Depository Services	
Business Owner: Joe Mayer	**Business Owner Dept:** Finance Administration	**Contract Number:** PONCS-21157
Vendor/Supplier/Contractor: JP Morgan Chase Bank, NA	**Source Selection Methodology:** Request for Proposals (Best Value)	**Fair and Reasonable Price Determination:** Adequate Competition

Revenue, Expense or Capital:

Expense

	Contract Dates	Contract Price
Base Term:	1/1/2023 – 12/31/2026	$2,512,326
Out Years:	0 Year(s)	+$0
Total:	1/1/2023 – 12/31/2026	$2,512,326

Lowest Bidder

Is this contractor the lowest bidder/supplier? Yes

If not, what premium will be paid for this contract over the lowest bidder? N/A

Approvals

Has the final contract been approved by Legal for legal sufficiency? Yes

Does this contract have an IT Component? Yes; and IT approved

Does this contract have a Construction Component? No

Financial

Is Funding included in the applicable FY Budget? Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.

FTE Impact: None

Diversity

Potential for M/WBE engagement: Vendor self performs; there are no opportunities through subcontractors, and vendor does not have a corporate plan.

Were M/WBE's Directly Solicited? None available, per Supplier Diversity

Number Responding M/WBE's: 0

What % of this contract is M/WBE? 0%

M/WBE Race/Ethnicity? N/A

M/WBE Gender? N/A

Submitted By (Division VP): Tabitha Lee, Vice President, Finance/Controller

DALLAS COUNTY HOSPITAL DISTRICT
PARKLAND HEALTH & HOSPITAL SYSTEM
BOARD BRIEFING DOCUMENT

Parkland

SUBJECT: Bank Depository Services

VENDOR: JP Morgan Chase Bank, NA

COST:		
	Base Term:	$2,512,326
	Out Years:	+ $0
	Total:	$2,512,326

Recommendation
Approve this contract for Bank Depository Services.

Background
The District released a Request for Proposal (RFP) to identify the best value Offeror capable of providing bank depository services. The services provided include the processing of payment in and out of District's bank accounts, wire transfers between District accounts, lockbox deposit processing, account reconciliations, and secure data file transfers between the bank and the District.

The District received 2 proposals in response to the RFP, both were moved into the competitive range.

Fair and Reasonable Price Determination
A fair and reasonable price was determined through adequate competition. JP Morgan Chase had both the best total score and the lowest price.

Competitive Range				
Vendor	**Key Strengths**	**Key Weaknesses**	**Non-Cost Score**	**Price Differential**
JP Morgan Chase Bank, NA	Cutting edge technology and innovation translated to strong project management teams. Superior customer service with consistent follow through on issues. Avoidance of transition costs to include assistance from Legal, IT, PFS, Accounting, and nursing facility managers	Very large bank with a lot of bureaucratic policies and procedures.	55.00	$0
Vendor B	Long established history with exceptional customer service and a highly diversified financial service company that helps customers build businesses and manage money through creative solutions.	Vendor B took an extended time implementing customers lockbox which could be detrimental to Parkland Health operations. Concern that Vendor B did not understand the true scope of the RFP or had a complete understanding of Parkland's needs, as well as whether they could meet Parkland's business needs.	42.00	$651,299

Financial Forecast

Base Term	FY2023	FY2024	FY2025	FY2026	Totals
Expenses	$628,082	$628,082	$628,081	$628,081	$2,512,326

Document Contact/Author:	Deborah Mitchell-Clary/Baruh Bosch

Board Approval Request For Contracts Over $200,000

BOM Date: December 14, 2022	**Product or Service:** Cisco Catalyst Series	
Business Owner: Darren Jones and Jeff DeFord	**Business Owner Dept:** Information Technology	**Contract Number:** POIT-22005
Vendor/Supplier/Contractor: Netsync Network Solutions	**Source Selection Methodology:** TXMAS or DIR Purchase	**Fair and Reasonable Price Determination:** Market Price

Revenue, Expense or Capital:

Capital and Expense

	Contract Dates	Contract Price
Base Term:	Last Signature – 1 Year	$499,998
Out Years:	0 Year(s)	+$0
Total:	Last Signature – 1 Year	$499,998

Lowest Bidder

Is this contractor the lowest bidder/supplier? TXMAS or DIR Purchase

If not, what premium will be paid for this contract over the lowest bidder? N/A

Approvals

Has the final contract been approved by Legal for legal sufficiency? Yes

Does this contract have an IT Component? Yes; and IT approved

Does this contract have a Construction Component? No

Financial

Is Funding included in the applicable FY Budget? Yes

FTE Impact: None

Diversity

Potential for M/WBE engagement: This award is to a M/WBE vendor.

Were M/WBE's Directly Solicited? N/A-no solicitation performed

Number Responding M/WBE's: N/A-no solicitation performed

What % of this contract is M/WBE? 100%

M/WBE Race/Ethnicity? Hispanic

M/WBE Gender? Female

Submitted By (Division VP): Joe Longo, Senior Vice President & Chief Information Officer

Parkland

DALLAS COUNTY HOSPITAL DISTRICT
PARKLAND HEALTH & HOSPITAL SYSTEM
BOARD BRIEFING DOCUMENT

SUBJECT: Cisco Catalyst Series

VENDOR: Netsync Network Solutions

COST:		
	Base Term:	$499,998
	Out Years:	+ $0
	Total:	$499,998

Recommendation
Approve this contract for Cisco Catalyst Series.

Background
Project purpose is to plan and deploy 425 Cisco Catalyst 9130AXI Access Points (APs) at the New Parkland Hospital (NPH) location. Netsync will install APs in Parkland determined locations as part of the NPH access refresh. The installation and implementation will take place in mission-critical locations critical to patient care and support. A phased implementation will be used to minimize exposure and risk of turn-up activities to specific closets or floors.

Fair and Reasonable Price Determination
The DIR contract and pricing was obtained in a solicitation process performed by the State of Texas. Market research conducted through ECRI shows that Parkland price is 58.2% lower than the average for other facilities. ECRI is a reputable, private benchmarking firm that collects pricing data covering numerous medical services and products.

Financial Forecast

Base Term	**FY2023**
Expenses	$62,588
Equipment / Licenses	$437,410
Totals	**$499,998**

Document Contact/Author:	Tonya Calhoun

Board Approval Request For Modification to Contract or Funding- Addition of Funds

BOM Date: December 14, 2022	**Modification:** Mod # 12 Hospital Wide Courier Services Funding Only	
Business Owner: Tim Lenz	**Business Owner Dept:** House Wide	**Contract Number:** PONCS-18170 A9
Vendor/Supplier: Eagle Express **Basis of Original Contract Award** Invitation for Bids **Basis of this Modification** Non-Sole Source Modification	BOM Approved Contract Total (10/26/2021): Modifications Totaling < $100,000 Modification # 8 Amount: Modification # 9 Amount: Modification # 10 - 11 Amount:	$1,368,980 $2,000 $500 $16,438
Revenue, Expense or Capital: Expense	Modification that increases contract value to $100,000 more than BOM Approved Contract Total Modification # 12 Amount:	 $298,492
Original Start Date: 1/1/2019 **Current Expiration:** 12/31/2023 **Mod Start Date:** Last Signature **Expiration after this Mod:** 12/31/2023	New Contract Amount:	$1,686,410

Approvals

Has the final modification been approved by Legal for legal sufficiency?	Yes
Does this modification have an IT Component?	No
Does this modification have a Construction Component?	No

Financial

Is Funding included in the applicable FY Budget?	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.
FTE Impact:	None

Diversity

Current M/WBE Participation?	0%
M/WBE Race/Ethnicity?	N/A
M/WBE Gender?	N/A

Submitted By (Division VP): Vivian Johnson, Senior Vice President, Clinical Services

DALLAS COUNTY HOSPITAL DISTRICT
PARKLAND HEALTH & HOSPITAL SYSTEM
BOARD BRIEFING DOCUMENT

Parkland

SUBJECT: Mod # 12 Hospital Wide Courier Services Funding Only

VENDOR: Eagle Express

COST:

BOM Approved Contract Total (10/26/2021):	$1,368,980
Modification # 8:	$2,000
Modification # 9:	$500
Modification # 10 - 11:	$16,438
Modification # 12:	+ $298,492
Total:	$1,686,410

Recommendation
Approve this contract modification for Hospital Wide Courier Services Funding Only.

Background
Courier Services were awarded to this vendor through the Request for Proposal process in 2019 and the base agreement and out years were approved by the Board at that time. We are requesting funding only to get us through the first unilateral out year. The 2nd unilateral out year will not be exercised so that a solicitation can be completed for this category.

Fair and Reasonable Price Determination
A fair and reasonable price was determined through adequate competition for the base years and the additional sites are consistent with pricing submitted at that time.

Financial Forecast

Current Contract Amount	FY2022	FY2023	FY2024	Total
$1,368,980	$18,938	$248,743	$49,749	$1,686,410

Document Contact/Author:	Petra Townsend/Tamisha Smallwood

Board Approval Request For Modification to Contract or Funding

BOM Date: December 14, 2022	**Modification:** Mod # 4 radial align, stems, and screws for orthopedic implants	
Business Owner: Cheston Chan	**Business Owner Dept:** Perioperative Services Administration	**Contract Number:** POCP-18532 A4
Vendor/Supplier: Skeletal Dynamics **Basis of Original Contract Award** Sole Source **Basis of this Modification** Sole Source Modification	BOM Approved Contract Total (1/26/2021): Modifications Totaling < $100,000 Modification # 3 Amount:	$345,000 $95,000
Revenue, Expense or Capital: Expense	Modification that increases contract value to $100,000 more than BOM Approved Contract Total Modification # 4 Amount:	$280,000
Original Start Date: 12/15/2018 **Current Expiration:** 1/31/2023 **Mod Start Date:** 12/15/2022 **Expiration after this Mod:** 1/31/2025	New Contract Amount:	$720,000

Approvals

Has the final modification been approved by Legal for legal sufficiency?	Yes
Does this modification have an IT Component?	No
Does this modification have a Construction Component?	No

Financial

Is Funding included in the applicable FY Budget?	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.
FTE Impact:	None

Diversity

Current M/WBE Participation?	0%
M/WBE Race/Ethnicity?	N/A
M/WBE Gender?	N/A

Submitted By (Division VP): Donna Hale, Vice President, Nursing Periop

DALLAS COUNTY HOSPITAL DISTRICT
PARKLAND HEALTH & HOSPITAL SYSTEM
BOARD BRIEFING DOCUMENT

Parkland

SUBJECT: Mod # 4 radial align, stems, and screws for orthopedic implants

VENDOR: Skeletal Dynamics

COST:

BOM Approved Contract Total (1/26/2021):	$345,000
Modification # 3:	$95,000
Modification # 4:	+ $280,000
Total:	$720,000

Recommendation
Approve this contract modification for radial align, stems, and screws for orthopedic implants.

Background
The contract renewal requires Board approval because the modification causes the contract to reach the Board threshold. This is not our main ortho vendor however they provide a specialty product for upper extremity implants. Funding is needed to reach the current expiration of 1/31/2023. The contract renewal is effective 2/1/2023.

Fair and Reasonable Price Determination
Although the item being purchased is a sole source for the reasons discussed below, this item is sold in substantial quantities in the commercial marketplace. Market research conducted through ECRI shows that the Parkland price is 7% lower than the average for other member hospitals. ECRI is a reputable, private benchmarking firm that collects pricing data covering numerous medical services and products.

Financial Forecast

Current Contract Amount	FY2021	FY2022	FY2023	FY2024	FY2025	Total
$345,000	$95,000	$0	$116,667	$140,000	$23,333	$720,000

Sole Source Justification
This contract is for a good or service for which it is impractical to obtain competition. Implants, heart valves, bone screws, prosthetics, etc. are patient care devices and are exempt.

Document Contact/Author:	Bryson Hendrix

Board Approval Request For Modification to Contract or Funding

BOM Date: December 14, 2022	**Modification:** Mod to Add Funds Total Joints	
Business Owner: Cheston Chan	**Business Owner Dept:** Perioperative Services Admin	**Contract Number:** POCP-21379 A2
Vendor/Supplier: Smith & Nephew Inc. **Basis of Original Contract Award** Sole Source **Basis of this Modification** Sole Source Modification	Current Contract Amount:	$199,999
Revenue, Expense or Capital: Expense	Modification to Add Funds:	$45,000
Original Start Date: 6/15/2018 **Current Expiration:** No Expiration **Mod Start Date:** 12/14/2022 **Expiration after this Mod:** No Expiration	New Contract Amount:	$244,999

Approvals

Has the final modification been approved by Legal for legal sufficiency?	No change to contract document
Does this modification have an IT Component?	No
Does this modification have a Construction Component?	No

Financial

Is Funding included in the applicable FY Budget?	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.
FTE Impact:	None

Diversity

Current M/WBE Participation?	0%
M/WBE Race/Ethnicity?	N/A
M/WBE Gender?	N/A

Submitted By (Division VP): Donna Hale, Interim Vice President, Nursing Periop

Parkland

DALLAS COUNTY HOSPITAL DISTRICT
PARKLAND HEALTH & HOSPITAL SYSTEM
BOARD BRIEFING DOCUMENT

SUBJECT: Mod to Add Funds Total Joints

VENDOR: Smith & Nephew Inc.

COST:		
	Current Contract Amount:	$199,999
	Mod to Add Funds:	+ $45,000
	Total:	$244,999

Recommendation
Approve this contract modification for Total Joints.

Background
This contract is for purchase of Total Joint Products and Accessories. The products are used to surgically replace the hip, knee, or shoulder as well as revisions on replacements. This vendor provides a nickel free alternative for patients with a nickel sensitivity.

Fair and Reasonable Price Determination
Market research conducted through Vizient shows that Parkland capitated price on Total Joint components is in line with the capitated pricing seen in this category.

Financial Forecast

Current Contract Amount	FY2023	FY2024	FY2025	Total
$199,999	$18,750	$22,500	$3,750	$249,999

Sole Source Justification
This contract is for a good or service for which it is impractical to obtain competition. No conforming bid or proposal was received. The price is fair and reasonable and there is not adequate time to rebid.

Document Contact/Author:	Bryson Hendrix

Parkland

Approved Deviation Request
Contract Modification-Addition of Funds

Must be approved before: 12/01/2022	**Reason for deviation request:** Additional funds are needed immediately due to unexpected volume increase in patients

BOM Date: December 14, 2022	**Modification:** Mod # 3 Outpatient Dialysis Center - Term extension plus additional funding	
Business Owner: Marilyn Callies	**Business Owner Dept:** Care Management	**Contract Number:** POCS-20292 A3

Vendor/Supplier:
Bio-Medical Applications of Texas, Inc.

Basis of Original Contract Award
Contract Award without Competition

Basis of this Modification
Contract Extension without Competition

Revenue, Expense or Capital:
Expense-Approved Deviation

Original Start Date: 12/1/2021
Current Expiration: 11/30/2023

Most Recent Mod Start Date: 12/1/2022
Expiration after this Mod: 11/30/2023

BOM Approved Contract Total (11/16/2021):	$2,760,000
Modifications Totaling < $100,000	
Modification # 1 Amount:	$0
Modification # 2 Amount:	$0
Modification that increases contract value to $100,000 more than BOM Approved Contract Total	
Modification # 3 Amount:	$5,150,000
New Contract Amount:	$7,910,000

Approvals

Has the final modification been approved by Legal for legal sufficiency?	Yes
Does this modification have an IT Component?	No
Does this modification have a Construction Component?	No

Financial

Is Funding included in the applicable FY Budget?	Yes
FTE Impact:	None

Diversity

Current M/WBE Participation?	0%
M/WBE Race/Ethnicity?	N/A
M/WBE Gender?	N/A

Submitted By (Division VP): Marilyn Callies, Senior Vice President, Transitional and Post-Acute Services

Request: Authorize the appropriate Contracting Officer to execute this contract with the stipulation that it will be presented to the Parkland Board of Managers for approval at the next regularly scheduled meeting.

Fred Cerise
Fred Cerise (Nov 29, 2022 08:34 CST)
Dr. Fred Cerise, President & CEO **Date:** Nov 29, 2022

RFM
Ramon F Miguez (Nov 30, 2022 09:40 EST)
Chair Finance Committee **Date:** Nov 30, 2022

DALLAS COUNTY HOSPITAL DISTRICT
PARKLAND HEALTH & HOSPITAL SYSTEM
BOARD BRIEFING DOCUMENT

Parkland

SUBJECT: Mod # 3 Outpatient Dialysis Center - Term extension plus additional funding

VENDOR: Bio-Medical Applications of Texas, Inc.

COST:

BOM Approved Contract Total (11/16/2021):	$2,760,000
Modification # 1:	$0
Modification # 2:	$0
Modification # 3:	+$5,150,000
Total:	$7,910,000

Recommendation
Approve this contract modification for Outpatient Dialysis Center - Term extension plus additional funding.

Approved Deviation Reason
Need immediate funding for term extension.

Background
The outpatient dialysis services relative to the emergency agreement entered in December 2021, were previously funded through Dallas County Indigent Care Commission (DCICC) pursuant to a Management Services Agreement between DCICC and Parkland. DCICC gave notice to Parkland it would no longer provide funding for patients at Parkland's Dialysis Center ("Center"). The patient dialysis services at the Center were provided directly through the agreement between Bio-Medical (Fresenius) and DCICC. In conjunction with those services, DCICC also contracted with Dallas Nephrology Group for the physician oversight portion of the services. During the initial term of the contract, an unpredicted increase in patient volumes and delays in clinical program set up have resulted in the use of all prior BOM approved fund, originally earmarked for a two-year period, within the first year of the contract necessitating the additional requested funds for the additional year term extension.

It is imperative for a continuum of care for Parkland patients to renew the current contract for a final one-year term with Bio-Medical to allow time for Parkland to successfully solicit a new Request for Proposal (RFP) in early 2023 for the services.

Fair and Reasonable Price Determination
Rates are set on the current Medicare Rate Schedule

Financial Forecast

Current Contract Amount	FY2023	Total
$2,760,000	$5,150,000	$7,910,000

Contract Extension without Competition Justification
Due to the complexity, increase in patient volume and program set-ups not completed we need to extend this for an additional one-year period to allow time for completion of new RFP for services in early 2023.

Document Contact/Author:	June Gill

Parkland

Approved Deviation Request
Contract Modification-Addition of Funds

Must be approved before: 12/01/2022	**Reason for deviation request:** Request for Proposal not ready to release and need services extended for Outpatient Dialysis Clinic
BOM Date: December 14, 2022	**Modification:** Mod # 2 1 Yr. term extension for outpatient dialysis clinic services
Business Owner: Marilyn Callies	**Business Owner Dept:** Care Management / **Contract Number:** POCS-20293 A2
Vendor/Supplier: Dallas Nephrology Associates	Current Contract Amount: $120,000
Basis of Original Contract Award Sole Source	Modifications Totaling < $100,000
Basis of this Modification Contract Extension without Competition	Modification # 1 Amount: $79,999 Modification # 1A Amount: $20,000
Revenue, Expense or Capital: Expense-Approved Deviation	Modification that increases contract value to $100,000 more than BOM Approved Contract Total Modification # 2 Amount: $400,001
Original Start Date: 12/1/2021 **Current Expiration:** 11/30/2022 **Most Recent Mod Start Date:** 12/1/2022 **Expiration after this Mod:** 11/30/2023	New Contract Amount: $620,000

Approvals

Has the final modification been approved by Legal for legal sufficiency?	Yes
Does this modification have an IT Component?	No
Does this modification have a Construction Component?	No

Financial

Is Funding included in the applicable FY Budget?	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.
FTE Impact:	None

Diversity

Current M/WBE Participation?	0%
M/WBE Race/Ethnicity?	N/A
M/WBE Gender?	N/A

Submitted By (Division VP): Marilyn Callies, Senior Vice President, Transitional and Post-Acute Services

Request: Authorize the appropriate Contracting Officer to execute this contract with the stipulation that it will be presented to the Parkland Board of Managers for approval at the next regularly scheduled meeting.

Fred Cerise
Fred Cerise (Nov 29, 2022 08:39 CST)
Dr. Fred Cerise, President & CEO **Date:** Nov 29, 2022

Ramon F Miguez (Nov 30, 2022 09:38 EST)
Chair Finance Committee **Date:** Nov 30, 2022

DALLAS COUNTY HOSPITAL DISTRICT
PARKLAND HEALTH & HOSPITAL SYSTEM
BOARD BRIEFING DOCUMENT

Parkland

SUBJECT: Mod # 2 1 Yr. term extension for outpatient dialysis clinic services

VENDOR: Dallas Nephrology Associates

COST:

Current Contract Amount:	$120,000
Modification # 1:	$79,999
Modification # 1 A:	$20,000
Modification # 2:	+ $400,001
Total:	$620,000

Recommendation
Approve this contract modification for 1 Yr. term extension for outpatient dialysis clinic services.

Approved Deviation Reason
Terms for definitive new agreement for new award were still in progress and time was needed to prepare and award. The current emergency term expires on 11/30/22 and additional funds are needed now going into the extended term period.

Background
This is the companion agreement for the Outpatient Dialysis Clinic with Bio-Medical Applications (Fresenius) whereby DNA will provide physician oversight to patients at clinic. The original agreement was entered on an emergency basis when Dallas County Indigent Care Commission (DCICC) gave notice to Parkland it would no longer provide funding for Parkland's patients at the Clinic. The emergency contract provided for a one-year term extension in the event the RFP was not completed to allow time for a new replacement award. RFP is scheduled for release in early 2023.

Fair and Reasonable Price Determination
Fees are based on current Medicare Rate Schedule

Financial Forecast

Current Contract Amount	FY2023	FY2024	Total
$120,000	$416,667	$83,333	$620,000

Contract Extension without Competition Justification
Due to the complexity, increase in patient volume and program set-ups not completed we need to extend this contract for an additional one-year period to allow time for completion of new RFP for all services relative to the Clinic in early 2023.

Document Contact/Author:	June Gill

CONTRACT RESOLUTION
Board of Managers
December 14, 2022

PARKLAND HEALTH

RESOLUTION NO. _____

Be it resolved, the Parkland Health Board of Managers, by a vote of _____ Yes and _____ Nay, does by this resolution (adopt/reject) _____ the following:

WHEREAS, Parkland Health management requested approval for certain contracts and approval/rejection is as checked below:

Approved	Rejected	Withdrawn	Type	Service or Product	Vendor	Contract Term	Aggregate Contract Amount Approved	Budgeted
			Expense	Bank Depository Services	JP Morgan Chase Bank, NA	1/1/2023 - 12/31/2026	$2,512,326	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.
			Capital and Expense	Cisco Catalyst Series	Netsync Network Solutions	Last Signature - 1 Year	$499,998	Yes
			Expense	Mod #12 Hospital Wide Courier Services Funding Only	Eagle Express	1/1/2019 - 12/31/2023	$1,686,410	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.
			Expense	Mod #4 radial align, stems, and screws for orthopedic implants	Skeletal Dynamics	12/15/2018 - 1/31/2025	$720,000	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.
			Expense	Mod to Add Funds Total Joints	Smith & Nephew Inc.	6/15/2018 - No Expiration	$244,999	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.
			Expense-Approved Deviation	Mod #3 Outpatient Dialysis Center - Term extension plus additional funding	Bio-Medical Applications of Texas, Inc.	12/1/2021 - 11/30/2023	$7,910,000	Yes
			Expense-Approved Deviation	Mod #2 1 Yr. term extension for outpatient dialysis clinic services	Dallas Nephrology Associates	12/1/2021 - 11/30/2023	$620,000	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.

THEREFORE, BE IT RESOLVED, that the Parkland Health Board of Managers approves these contracts as noted.

Dated this 14th of December, 2022.

_____
Marjorie D. Petty, JD
Chair

_____
Steve Roth, JD, MPH
Assistant Secretary

Marjorie Petty, JD, Chair	Yes _____	No _____	Abstain _____	Absent _____
Don O'Bannon, Esq.	Yes _____	No _____	Abstain _____	Absent _____
Jeff Tillotson, JD	Yes _____	No _____	Abstain _____	Absent _____
Eric G. Bing, MD, PhD	Yes _____	No _____	Abstain _____	Absent _____
Todd Furniss, JD	Yes _____	No _____	Abstain _____	Absent _____
Reina Gonzalez, JD	Yes _____	No _____	Abstain _____	Absent _____
Ramon Miguez, PE	Yes _____	No _____	Abstain _____	Absent _____
Farida Minner, RN	Yes _____	No _____	Abstain _____	Absent _____
Elizabeth Palacios, MD	Yes _____	No _____	Abstain _____	Absent _____
John Proctor	Yes _____	No _____	Abstain _____	Absent _____
Lisa Sutter	Yes _____	No _____	Abstain _____	Absent _____

Parkland

Approve Contract Approval Policy

Parkland

Contract Approval Policy Executive Summary

On May 6th and 7th during the Board Retreat, the Board created a Governance Improvement Action Plan that called for a review of the Contract Approval process.

Subsequently, the Budget & Finance Committee and the Board has discussed the emergency/deviation approval process and the contract approval threshold.

At the conclusion of these discussions, the committee & Board recommend the following:

- Maintain Board approval of contracts at $200,000
- Amend Emergency/Deviation Approval process to include the Chair of Budget & Finance, the Chair of the Board of Managers, and the Vice-Chair of the Board of Managers

The proposed changes also include updating Parkland Health & Hospital System to Parkland Health and several additional amendments.

The redlined version in the Board packet incorporate these proposed changes.

Contract Approval by the Board of Managers		Published: MM/DD/YY
Supply Chain		Page 1 of 5

PURPOSE:

To outline the types of contracts that require approval by the Board of Managers and/or the appropriate Board Committee, maximizing the opportunity for Minority and Women Business Enterprise (MWBE) participation.

SCOPE:

All Parkland Health & Hospital System ("Parkland") Workforce members. facilities, including but not limited to hospitals, ambulatory surgery centers, clinics, and all corporate departments/divisions.

PROCEDURE:

1. The following contracts require approval by the Board of Managers and/or the appropriate Board Committee prior to execution by Parkland Health:
   A. New contracts (Revenue or Expense) of $200,000 or more over the term of the contract (including potential renewals documented in the contract),.
   B. Any subsequent increase in the value of a previously executed contract which brings the increased contract total to $200,000 or more for the first time,
   C. Any increase of $100,000 or more, either in a single amendment or the aggregate of multiple amendments, once a contract has been approved by the Board or designated Board Committee,.
   D. Executing a mutual renewal to extend a contract that has not previously received Board approval, which would require Board approval under Sections B or C above,.
   E. Purchase Orders of $200,000 or more which are not tied to a contract,.
   F. All Real-Estate contracts (contracts relating to real property, involving purchases, sales, exchange, lease, condemnation, maintenance, and operation) as provided in Section 281.050 of the Texas Health and Safety Code, both expense and

DRAFT

revenue, regardless of dollar amount. Note: After Board approval, all real-estate contracts also require Commissioners' Court approval prior to execution by Parkland.

2. Emergency/Deviation Approval

   A. In instances where a contract requires approval and execution prior to the next regularly scheduled Board of Managers or designated Board committee meeting, a Deviation Approval Form will be completed and forwarded to the Chief Executive Officer (CEO) or his/her designee.

   B. The CEO or designee will review and, if approved, forward the Deviation Approval Form to the Chair of the Board Budget & Finance Committee, or (if that individual is not available), to the Chair of the Board of Managers, or (if that individual is also unavailable) to the Vice-Chair of the Board ~~the Board or designated Committee Chair,~~ for ~~temporary~~ approval ~~of~~ to execute the contract.

   C. The Deviation will be submitted for ~~approval~~ ratification at the next Board or designated Board Committee meeting, along with the other contracts listed for approval at that meeting.

3. This approval process excludes:

   A. Individual non-capital purchase agreements made through existing (Board approved) Group Purchasing Organization (GPO) contracts, State contract, or local enhancements of GPO or State contracts. Individual non-capital purchase expenditures through the GPO subject to this exception shall be expenditures forecasted in the annual forecast of activity approved under paragraph four (4) ~~of~~ this policy.

   B. On-going maintenance/service/support for software where only one vendor exists that is authorized to provide the maintenance/service/support~~; and~~.

   C. On-going renewal of software licenses or software subscriptions~~; and~~.

   D. Agreements for drug replacement or pharmacy cost avoidance that further Parkland's charitable purposes~~; and~~.

DRAFT

E. Contracts with healthcare payors (Medicare, Medicaid, managed care companies, etc.)~~; and~~.

F. Increases to the value of a prior BOM approved contract, where the value is based on an estimated commission for an anticipated net revenue, and where performance has exceeded the estimate~~; and~~.

G. Decreases to the value of a contract (for ex. construction contract close-out, reduction of project scope, credits)~~; and~~.

H. Federal, State, and local governmental funded Grants unless Commissioner's Court or Parkland Board of Managers approval is specifically required under the terms of the grant.

I. NOTE: Management reserves the discretion to bring a contract to the Board that would fall under an exclusion, if it seems prudent.

4. Approval reporting:

A. Supply Chain will present an annual forecast of expected spend under the GPO membership and State contracts to the Parkland Board of Managers and/or the appropriate Board Committee for approval with the previous year end fiscal reporting.

B. Supply Chain will present a quarterly report of actual spend under the GPO membership to the Parkland Board of Managers and/or the appropriate Board Committee during the fiscal year. If quarterly reporting indicates that the expected annual spend will exceed the annual forecast by $10mm or more, Supply Chain will inform the Board of Managers Budget and Finance Committee.

5. Informational:

A. The Chief Information Officer (CIO) or his/her designee will create and provide an annual informational update to the Parkland Board of Managers with a prospective list of all maintenance, support, license and subscription costs that are anticipated in the following fiscal year. The report will list, at a minimum, the vendor, service provided, purpose of the service, the annual cost and whether the cost was included in the approved Parkland budget.

DRAFT

B. The Director of Grants Management will provide an annual informational list to the Board with a prospective list of all federal, state, and local governmental funding grants of $200,000 or more anticipated for the upcoming fiscal year. The report will include the grantor, grant name, award amount, the amounts allocated to direct and indirect costs, and a brief description of what activities are funded by the grant. Amounts contributed by Parkland and other funding sources will be included, if applicable.

EQUIPMENT:

N/A

DEFINITIONS:

DIR: The Texas Department of Information Resources (DIR) Cooperative Contracts program is a streamlined cooperative purchasing program for state and local government, public education, and other public entities in Texas, as well as public entities outside the state.

GPO: Group Purchasing Organization, an entity that is created to leverage the purchasing power of a group of businesses to obtain discounts from vendors based on the collective buying power of the GPO members.

Mutual renewal: requires the agreement of both parties to extend the term of the contract for a period of time already defined in the contract.

TXMAS: As an alternative purchasing method, the Statewide Procurement Division establishes Texas Multiple Award Schedule (TXMAS) contracts that have been developed from contracts awarded by the federal government or other governmental entities.

- The General Services Administration's (GSA) Federal Supply Service awards Federal Supply Schedule contracts by competitive procurement procedures for more than 20 schedules that cover multiple commodities and services. The

DRAFT

prices reflected on GSA schedule contracts are the most favored customer (MFC) prices and the maximum price allowable.

- TXMAS contracts take advantage of the MFC pricing and under certain circumstances, an agency or local governmental entity may negotiate a lower price for the goods or services offered on a TXMAS contract.

Unilateral option: an extension of a contract where 1 party has the unilateral option to extend the contract for a period of time already defined in the contract.

REFERENCES:

N/A

DRAFT

Parkland

Approve Investment Committee Appointments

Parkland

Bio – Mark Gehlbach

- As Co-founder and President of True North Advisors, Mark Gehlbach is the architect of the firm's client experience and investment management strategies. He serves as Chief Compliance Officer, sits on the Investment Policy Committee and oversees the financial planning and investment divisions within the company.
- Mark began his career at the Salomon Smith Barney Consulting Group where he was responsible for providing investment and wealth management services to private investors, and consulting and trading services to institutional investors.
- In 1998, Mark followed key leaders from Salomon Smith Barney to form Lockwood Financial, an independent provider of investment consulting services. In 2000, he and Scott Wood launched True North Advisors which provides investment advice to high wealth clients.

Parkland

Bio – Mark Gehlbach

- Mark is a Phi Beta Kappa, cum laude graduate of Baylor University.
- Well-regarded in the investment industry, he was one of the first 13 wealth advisors in the nation to hold the designation of Chartered Private Wealth Advisor®, awarded at University of Chicago Booth School of Business.
- Mark is often quoted and sought after as a source by professional publications such as *Private Asset Management* and *Bloomberg Wealth Manager.*
- Mark is a member of the Salesmanship Club of Dallas and in his spare time, Mark and his family are actively involved in church and various community outreach programs.

Parkland

Bio – Gabe Rodriguez

- Chief Executive Officer, Founding Member, Portfolio Manager at Empiric Institutional, LLC
- Gabe is responsible for the overall leadership and strategic direction of the company. In this capacity, he directs all aspects of new product and business development. Mr. Rodriguez also serves as a voting member of the research and investment committee.
- Gabe received his B.B.A. in Finance & Accounting from St. Edwards University in Austin, Texas.
- He currently holds SEC Series 63, 65 and 7 licenses.
- In his free time, you may find him running around Lady Bird Lake or doing some yoga.
- Gabe also serves as Chairman of the board of the New America Alliance, Inc.
- 15 years of investment industry experience starting in 2007.

Parkland

Approve Investment Officers for Retirement Income Plan

Resolution No. _____

A RESOLUTION OF THE DALLAS COUNTY HOSPITAL DISTRICT BOARD OF MANAGERS APPROVAL OF INVESTMENT OFFICERS RETIREMENT INCOME PLAN

Be it resolved, the Dallas County Hospital District Board of Managers by a vote of _____ Yea and _____ Nay, Does By This Resolution (adopt/reject) _____ the following:

WHEREAS, the Dallas County Hospital District has opted out of the Social Security System and established a defined benefit retirement plan under Section 401(a) of the Internal Revenue Code to provide employees with income after their respective retirements; and

WHEREAS, the District's Board of Managers, serving as trustees for Retirement Income Plan, has formed an Investment Committee composed of volunteer investment professionals who work with an investment consultant to recommend investment managers and strategies for approval by the Board; and

WHEREAS, The Investment Committee has drafted an Investment Policy Statement for approval by the Board of Managers for guidance of investment activity for the Plan's assets to be executed by District staff through the approved investment managers and in accordance with the Investment Policy Statement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the Dallas County Hospital District that the following individuals are hereby authorized as Investment Officers for directing investments of the Retirement Income Plan's assets, per the Plan's Investment Policy Statement. This authority is extended until rescinded by the Dallas County Hospital District or upon termination of the Investment Officer.

Richard Humphrey	EVP & CFO	Joe Mayer	Treasury Director
Tabitha Lee	VP Finance & Controller	Christi Paul	Treasury Manager

Dated this 14th day of December, 2022.

_____ _____

Marjorie Petty, JD
Chair

Steven Roth, JD, MPH
Assistant Secretary

Marjorie Petty, JD	Yes_____	No_____	Abstain_____	Absent_____
Don O'Bannon, Esq.	Yes_____	No_____	Abstain_____	Absent_____
Jeff Tillotson, JD	Yes_____	No_____	Abstain_____	Absent_____
Eric G. Bing, MD, PhD	Yes_____	No_____	Abstain_____	Absent_____
Todd Furniss, JD	Yes_____	No_____	Abstain_____	Absent_____
Reina Gonzalez, JD	Yes_____	No_____	Abstain_____	Absent_____
Ramon Miguez, PE	Yes_____	No_____	Abstain_____	Absent_____
Farida Minner, RN	Yes_____	No_____	Abstain_____	Absent_____
Elizabeth Palacios, MD	Yes_____	No_____	Abstain_____	Absent_____
John Proctor	Yes_____	No_____	Abstain_____	Absent_____
Lisa Sutter	Yes_____	No_____	Abstain_____	Absent_____

Parkland

Approve DCHD Board Bylaws

Parkland

Board of Managers Bylaws Executive Summary

On May 6th and 7th during the Board Retreat, the Board created a Governance Improvement Action Plan that called for a review of Board Succession Planning.

Subsequently, the Governance, Compliance & Ethics Committee met on November 9th to discuss Board Succession Planning.

At the conclusion of that meeting, the committee moved to recommend the following changes to the Board Bylaws:

- Board Officer Elections will move to the January 25, 2023, meeting and the Bylaws will be amended to move them permanently to the January meeting every two years
- Board Officer Nominees should preferably have one year of service on the Board of Managers and be on an unexpired term or eligible for reappointment

The Board of Managers met on November 17th and approved the recommendations from GCEC.

The redlined Board bylaws in the Board packet detail the proposed changes.

BYLAWS

OF THE

BOARD OF MANAGERS OF THE

DALLAS COUNTY HOSPITAL DISTRICT

Initial Board Approval:	**April 28, 2001**
Revised:	**March 27, 2007**
	October 23, 2007
	January 22, 2008
	March 25, 2008
	July 28, 2009
	September 22, 2009
	June 28, 2011
	April 24, 2012
	August 28, 2013
	July 29, 2014
	January 13, 2016
	August 24, 2016
	November 18, 2020
	October 27, 2021
	June 29, 2022

PREAMBLE

The Dallas County Hospital District (hereinafter referred to as the "Hospital District") is established and operated pursuant to Chapter 281, Texas Health & Safety Code), and the Hospital District is governed by such statute and other applicable laws of the State of Texas. The provisions of the governing laws, therefore, are included in these Bylaws only to the extent necessary for clarification. In order to provide for the orderly implementation of the statutes of authorization, the Board of Managers (therein and hereinafter referred to as the "Board") adopts the following Bylaws.

ARTICLE I.

VISION

We will advance Health Equity through excellence as a Public Health System.

ARTICLE II.

MISSION

Advance Wellness | Relieve Suffering | Develop and Educate

ARTICLE III.

VALUES

Serving as our cultural cornerstone, Parkland's values are those inherent principles that guide our organization and are reflected in our employees' actions.

Parkland's values are:

I CARE

Integrity
I will be honest, trustworthy, authentic, humble and transparent.

Compassion and Collaboration
I will provide service in a spirit of empathy, concern, and love. I will work together with others to deliver excellent care for our community.

Accountability
I will hold myself and others responsible for high standards of excellence, stewardship, and will welcome feedback.

Respect
I will value the unique and diverse experiences of others and treat everyone with kindness and humility.

Equity
I will value the diversity of patients and colleagues and strive to promote everyone's health, dignity, and voice.

ARTICLE IV.

DUTIES OF THE BOARD

4.1 As the governing body of the Hospital District, the Board has fiduciary and statutory duties to ensure that the Hospital District is administered and operated effectively and that it fulfills its statutory mission as a public safety net health system and an academic medical center. The Board is ultimately responsible for the access to, and quality of, care provided by the Hospital District and for the safety of its patients. Subject to any express statutory or regulatory provisions or restrictions, and as more fully described in these Bylaws, the Board's oversight shall include but not be limited to the following areas: the hiring, evaluation, and termination of certain executives who are dual reports to the Board and the CEO as set forth below; ; budget development and post-approval implementation; public communications; external affairs; community and government relations; provider credentialing and privileging; medical staff affairs; executive compensation; adoption and adherence to financial policies and reporting; human resources policies; legal and regulatory compliance; and strategic planning. The Board shall have the sole authority to hire, evaluate, and terminate the Chief Executive Officer (CEO). The Chief Audit Officer and the General Counsel shall have dual reporting responsibility to the CEO and the Board. Therefore, a simple majority of a quorum of the Board attending the meeting plus the CEO are required for the hiring and termination of the Chief Audit Officer and the General Counsel. The CEO shall conduct the evaluations of the Chief Audit Officer and the General Counsel, in consultation with the Board. The Board is also responsible for the orientation, development and education of Board members and for evaluating the Board's overall performance.

4.2 Every five (5) years, the Board will retain an independent board governance expert to review and evaluate the Board's governance practices considering industry best practices. The expert will make recommendations to the Board regarding best practices and the actions the Board should consider taking to enhance its governance practice.

ARTICLE V.

MEMBERSHIP OF THE BOARD

5.1 The Board shall consist of eleven members, who serve without compensation and through appointment by the Commissioners Court. Members serve a term of three years and can serve up to two consecutive terms. The Commissioners Court fills the remainder of any un-expire d term. Board members may serve until a successor is appointed and qualified.

ARTICLE VI.

OFFICERS OF THE HOSPITAL DISTRICT

6.1 Election of Officers. At its annual meeting every two years, the Board shall elect a Chair, Vice Chair, and Secretary. The Board Officers shall serve a two-year term and may serve up to two consecutive terms in any office. The Board Officers shall be eligible for reelection after expiration of a two-year term following their service as an officer. Board Officer nominees are preferred to have one year of service on the Board and must be on an unexpired term or eligible for reappointment. The General Counsel of the Hospital District shall serve as Assistant Secretary. The Board may from time to time establish procedures for the nomination and election of Board officers.

6.2 Vacancies. A vacancy in any office shall be filled by the Board of Managers by election at any regular or special meeting. The vacancy shall be filled for the remainder of the current term.

6.3 Duties of Chair

6.3.1 The Chair shall preside at all meetings of the Board.

6.3.2 The Chair shall appoint the members of all standing committees and designate their Chair. The Chair shall appoint all special committees and shall fill all committee vacancies that may arise therein.

6.3.3 With regard to Board committees on which the Chair is not a standing committee member, the Chair shall be an ex-officio member, without vote, provided, however, that the Chair may be appointed as a temporary member to such committee under Article VII, Section 7.9.2 with the right to vote, if necessary, to constitute a quorum.

6.3.4 The Chair may, at the Chair's discretion unless otherwise instructed by the Board, refer matters coming before the Board to the proper committee of said Board for consideration, recommendation, or action if authorized to take such action by these Bylaws or the Board.

6.3.5 The Chair or the Chair's designee shall execute all Board correspondence on behalf of the Board.

6.3.6 The Chair or the Chair's designee shall cause a certified agenda, minutes, or other appropriate record to be prepared for any open or closed meeting at which the Secretary or Assistant Secretary is not present.

6.4 Duties of the Vice Chair. The Vice Chair shall perform the duties of the Chair in the Chair's absence or in the event of the Chair's resignation, death, disability or inability to serve pending selection of the Chair's successor at either a regular or special meeting of the Board to be held as soon as reasonably practical.

6.5 Duties of the Secretary

6.5.1 The Secretary shall be a member of the Board or the Hospital District's administrator/CEO. The Secretary shall keep suitable records of all proceedings of each meeting of the Board and its committees. Such records shall be read and signed after each meeting by the Chair or the member presiding and attested to by the Secretary.

6.5.2 In addition to the duties herein before described, the Secretary assisted by the Chief Governance Officer shall notify the members of the Board of all regular and special meetings of the Board and its committees in the following fashion:

(a) For all regular meetings, the Secretary shall notify all members in writing or electronically at least 72 hours in advance of such meetings.

(b) In the event of special meetings of the Board or a Committee, the Secretary shall notify each Board member via telephone or by other appropriate immediate means. If the Secretary cannot reach a Board member via telephone, the Secretary shall notify such Board member of the date, time and specific purpose of such special meeting via wire, facsimile, or electronic mail sent to the Board member's home or office setting.

(c) The Secretary shall comply with the requirements of the Texas Open Meetings Act and applicable laws concerning Medical Peer Review with respect to all notices of Board and committee meetings.

(d) The Secretary shall record all votes by Board members by name, except when all members are present and the vote is unanimous, or by other means that clearly record how each Board member voted.

6.6 Duties of the Assistant Secretary

6.6.1 The General Counsel shall serve as the Assistant Secretary and, in the absence or at the request of the Secretary, may perform any act required of the Secretary by the Bylaws.

6.6.2 In the event there is a requirement or request that the Chief Executive Officer's signature or office be verified or certified, such verification or certification shall be performed by the Assistant Secretary. If the Assistant Secretary is unable to verify or certify the signature of the office of the CEO then the Chair of the Board or the Vice Chair of the Board is authorized to perform either of such functions.

ARTICLE VII.

COMMITTEES OF THE BOARD

The Committees of the Board shall be standing or special. The Standing Committees shall consistent of the following: (1) Audit; (2) Budget and Finance; (3) Talent Development and Executive Compensation; (4) Quality of Care and Patient Safety; (5) Facilities; (6) Governance, Compliance and Ethics; and such other Standing Committees as the Board may authorize. In the absence of specific authority delegated by the Board, Standing Committees shall have authority only to make recommendations to the Board. The Board may appoint ex officio, non-voting advisors with subject matter expertise or experience to its Standing Committees. The determination of whether a quorum is present shall be based on the number of Board members on the Standing Committee.

7.1 Audit Committee

7.1.1 The Audit Committee shall consist of a Chair and at least two other members of the Board. It shall receive and review audit reports prepared by the Interna l Audit Services Department and assist with the Department's audit planning. The Audit Committee shall review the staffing needs and the budget of the Internal Audit Services Department. The Committee is also responsible for the oversight of the Hospital District's internal controls, and the Internal Audit Services Department and the Chief Audit Executive. The Audit Committee shall also receive periodic reports from the General Counsel on litigation matters.

7.1.2 The executive liaisons to the Committee shall be the Chief Financial Officer, Chief Audit Executive, Chief Governance Officer, and the General Counsel, all of whom shall assist the Committee and the Committee Chair in discharging their responsibilities.

7.2 Budget and Finance Committee

7.2.1 The Budget and Finance Committee shall consist of a Chair and at least two other members of the Board. The Committee shall at all times be familiar with the income and expenditures of the Hospital District (appropriately seeking additional supportive material, as necessary for understanding); advise the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer in connection with the preparation of the Budget; review the proposed budget in advance of presentation to the Board; and make recommendations to the Board. The Committee shall provide reports and make recommendations regarding the investment of assets of all Dallas County Hospital District employee retirement plans, as appropriate or necessary. The Committee shall exercise general oversight of purchasing activities and contracts and shall recommend to the Board policies or procedures related to contracting for goods and services.

7.2.2 Within specific parameters adopted by the Board from time to time, the Committee shall have the authority to approve contracts requiring Board approval and shall provide routine reports to the Board of its actions and consideration of such contracts.

7.2.3 The executive liaisons to the Committee shall be the Chief Executive Officer, the Chief Financial Officer, Chief Governance Officer, and the General Counsel, all of whom shall assist the Committee and the Committee Chair in discharging their responsibilities.

7.3 Talent Development and Executive Compensation Committee

7.3.1 The Talent Development and Executive Compensation Committee shall consist of a Chair and at least two other Board members. The Committee shall review the performance of the CEO and evaluate, determine and recommend the appropriate compensation to the Board. The Committee shall work closely with the Chief Executive Officer, the General Counsel, and the Chief Talent Officer to evaluate and recommend the Hospital District's Executive Compensation philosophy to the Board.

7.3.2 The executive liaisons to the Committee shall be the CEO, the Chief Talent Officer, and the Chief Governance Officer, all of whom shall assist the Committee and the Committee Chair in discharging their responsibilities.

7.4 Quality of Care and Patient Safety Committee

7.4.1 The Quality of Care and Patient Safety Committee shall consist of a Chair and at least two other Board members. The Board has oversight authority over the health system's Quality, Safety, and Performance Improvement Program (the "Quality Program"). The Committee shall assist the Board with its charge to oversee patient safety and quality of care. The Committee is responsible for assessing the delivery of quality patient care throughout the system. The Committee shall assist in determining the need for policies, procedures, and practices that, through continuous quality improvement, achieve the optimal level of quality and safety to patients in a cost-effective manner. The Hospital District's management will provide reports on clinical quality and patient safety activities. These reports may address such issues as clinical quality, patient safety, and compliance with regulatory and accreditation activities.

7.4.2 The Committee may evaluate requests for credentials (*i.e.,* Privileges and Membership) of a Practitioner or Non-Physician Clinical Provider and recommend the

Board approve, deny or modify the requests. The Board shall have final authority regarding credentialing decisions.

7.4.3 The Committee shall have the authority to approve routine peer review recommendations from the MEC that require Board approval and shall provide routine reports to the Board of its actions and consideration on such matters.

7.4.4 The Committee may consider the MEC's recommendation after a formal investigation and recommend action to the Board. The Board shall make the final decision. The Board also has the final authority to restrict or revoke Privileges or Membership based upon concerns regarding competence or professional conduct.

7.4.5 The executive liaisons to the Committee shall be the Chief Clinical Officer, Chief Quality and Patient Safety Officer & Associate Chief Medical Officer, and the Chief Governance Officer all of whom shall assist the Committee and the Committee Chair in discharging their responsibilities.

7.5 Facilities Committee

7.5.1 The Facilities Committee will consist of a Chair and at least two other Board members. The Committee shall exercise general oversight over institutional proposals, involving building projects and equipment, included in the development and construction of new buildings for the Hospital District. The Committee shall also be responsible for providing general oversight for the Hospital District's facilities related activities, including its facilities operations, maintenance, grounds, real estate holdings, and leasehold interests.

7.5.2 Within the specific parameters adopted by the Board, the Committee shall review change orders on the construction of new building projects for the Hospital District of $100,000 or more that have been entered into by the Hospital District on a quarterly basis.

7.5.3 The executive liaisons to the Committee shall be the Chief Operating Officer, the Chief Financial Officer, and the Chief Governance Officer all of whom shall assist the Committee and the Committee Chair in discharging their responsibilities.

7.6 Governance, Compliance, and Ethics Committee

7.6.1 The Governance, Compliance and Ethics Committee shall consist of a Chair and at least two other Board members. The Committee shall be responsible for driving Board development, orientation, education, succession planning, and self-assessment. The Committee shall assist the Board with its charge to oversee and implement effective board governance practices.

7.6.2 The Committee is also responsible for the oversight of the Hospital District's Compliance and Ethics Program, the Chief Compliance and Ethics Officer, the

Compliance and Ethics Department, and the Hospital District's compliance with federal and state statutes and regulations, including those that apply to federal healthcare programs.

7.6.3 The executive liaisons to the Committee shall be the Chief Executive Officer, General Counsel, Chief Compliance and Ethics Officer, and the Chief Governance Officer all of whom shall assist the Committee and the Committee Chair in discharging their responsibilities.

7.7 Special Committees

7.7.1 The Chair of the Board may appoint Special Committees of the Board as deemed appropriate by the Chair. The Chair may appoint ex officio, non-voting advisors with subject matter expertise or experience to a Special Committee as deemed appropriate by the Chair. The determination of whether a quorum is present shall be based on the number of Board members on the Special Committee. Special Committees shall limit their activities to the accomplishment of the task for which they are created and appointed and shall have authority only to make recommendations to the Board, unless specific authority is delegated to the Special Committee by the Board. Upon completion of the task for which they are appointed, or at such earlier time as may be determined by the Board, such Special Committees shall be disbanded.

7.8 Meetings

7.8.1 All Standing and Special Committees shall meet at the request of the Committee Chair, the Chair of the Board, or any five members of the Board. A majority of the members of the Committee shall constitute a quorum.

7.8.2 The Chair of the Board may appoint a temporary member or members to any Committee that does not have a quorum present so that a meeting may be conducted. The Committee Chair of a Committee may appoint a temporary member or members to that Committee if the Committee does not have a quorum present so that the meeting might be conducted. Temporary members shall have full authority to vote and participate in meetings for all purposes. Temporary membership terminates at the conclusion of the meeting.

7.8.3 In addition to the duties otherwise prescribed for them, Standing Committees shall be available to receive requests or recommendations from the CEO or her/his designee for assistance with matters concerning their respective areas of responsibility.

7.8.4 The following Standing Committees will have one-on-one sessions with the following Board direct reports, individually, as needed, but no less than annually, as follows:

(a) Audit Committee – Chief Audit Executive

(b) Quality of Care and Patient Safety Committee – Chief Quality and Safety Officer & Associate Chief Medical Officer

(c) Governance, Compliance, and Ethics Committee – Chief Compliance and Ethics Officer

7.9 Vacancies. Any vacancy on any Committee shall be filled by the Chair of the Board.

ARTICLE VIII.

MEETINGS OF THE BOARD

8.1 Regular Meetings

8.1.1 There shall be regular meetings of the Board as determined by the Chair of the Board, provided that meetings are held not less than quarterly.

8.1.2 The agenda for these meetings shall include any items appropriate for governing and overseeing the affairs of the Hospital District.

8.1.3 The Board will have one-on-one sessions in Executive Session with the CEO, Chief Audit Officer, and General Counsel, individually, as needed, but no less than annually, and as allowed by law.

8.2 Annual Meetings: Board Officer Election

8.2.1 The annual meeting shall be the first regular meeting following the first day of ~~February~~ January each year.

8.2.2 The Board shall hold Board Officer Elections every two years and shall follow the then current Board Election Process adopted by the Board, which may be amended from time to time. The agenda for the annual meeting that includes Board Officer Elections shall include:

(a) Election and installation of officers of the Board; and

(b) Such other matters as may come to the attention of the Board.

8.3 Special Meetings. Special meetings of the Board may be called by the Chair of the Board, or by the Secretary at the request of at least five members of the Board, and when so called shall confine the activities of the special meeting to the purpose for which it was called. Notice of the special meetings shall be governed by the provisions of these Bylaws and the Texas Open Meetings Act.

8.4 Emergency Meetings. Emergency Meetings are limited to agenda items wherein there exists an imminent threat to the public health and safety or reasonable unforeseeable situations requiring immediate action by the Hospital District as authorized by the Texas Open Meetings Act or as otherwise provided by law. One hour is sufficient advance notice, provided all other provisions of State law are met, including notice to the news media.

8.5 Continued Meetings. Any regular, annual, or special meetings may be continue d from time to time until the business thereof is accomplished as provided by the Texas Open Meetings Act and applicable law; provided, however, that no continuation shall extend beyond the next regular business day after the day on which the meeting was called. If a meeting is to be continued beyond the next regular business day, notice required for a meeting under the Texas Open Meetings Act or as otherwise provided by law must be given. Unless otherwise directed by the Board at the time of any recess of a meeting, the Chair shall designate the time and place for the meeting to reconvene to the following regular business day.

8.6 Quorum. The presence of the majority of the Board shall constitute a quorum for the transaction of business, and a lesser number may recess a meeting until a later specified date when a quorum shall be present.

8.7 Failure to Attend. In accordance with the Board and Committee Guidelines, members of the Board shall endeavor to regularly attend all Board meetings and the meetings of the Committees of which they are a member. If a Board member's attendance is unsatisfactory, the Chair may counsel with said member to encourage better attendance. As necessary, a report of each member's attendance at all Board and Committee meetings shall be prepared for and presented to the Commissioners Court for review.

8.8 Public Meetings. All regular, annual, or special meetings of the Board shall be open to the public, except that the Board may hold Executive Sessions or Closed Meetings as authorize d by the Texas Open Meetings Act and applicable law.

8.9 Notice of Meetings. Notice of any regular or special meetings of the Board shall be as specified in Article VI, Sections 6.5.2 (a) and (b).

ARTICLE IX.

CONDUCT OF BUSINESS

9.1 Order of Business for Regular Meetings. The order of business for regular meetings should be determined by the Chair of the Board, subject to such changes as may be made by vote of the Board.

9.2 Public Comments. The “public comments" agenda item allows any member of the public wishing to appear before the Board to speak at an open Board or Committee meeting pursuant to the policies and procedures adopted by the Board and as authorized by the Open Meeting. At a minimum, such procedures shall allow members of the public to comment on items placed on the agenda prior to action and for a designated amount of time. If more than one person

is present to speak on the same matter or topic, they will choose one person to represent the group or divide the time allotment amongst them. In the event the group cannot agree on the representative to speak or agree on the allocation of time, the Chair may designate a representative or allocate the time. The Board may extend the time limits as it deems appropriate.

9.3 Rules of Order. The most recent edition of *Robert's Rules of Order* may be utilized as a guide, but shall not be required, to assist in the proceedings of meetings of the Board in all cases to which same are applicable and which are not inconsistent with the Bylaws of the Board and applicable laws. The Chair shall endeavor to carry out the meeting in an efficient, fair and productive manner.

9.4 Records of the Meetings. Minutes of all meetings of the Board and Committee s shall be sent to all the Board members in advance of the next scheduled Board meeting at which the minutes will be reviewed.

ARTICLE X.

MEDICAL STAFF

10.1 Membership.

10.1.1 The Medical Executive Committee shall be selected and governed as referenced in the Medical Staff Bylaws. The Medical Staff Bylaws shall provide a mechanism for medical staff governance, including an executive body, the Medica l Executive Committee, which shall act for and report to the Medical Staff. The Medical Executive Committee shall make recommendations and advise the Board regarding issues that pertain to the Medical staff.

10.1.2 The Board shall appoint a Medical Staff composed of physicians, dentists, oral and maxillofacial surgeons, or podiatrists and shall see that they are organized into a responsible administrative unit and adopt such bylaws, rules, and regulations for governance of their practice in the Hospital District as the Board deems to be of the greatest benefit to the care of patients. Such appointments will be made in accordance with the Medical Staff Bylaws. The Medical Staff Bylaws and Medical Staff Rules and Regulations shall include a procedure for making recommendations to the Board concerning staff appointments and re-appointments, as well as granting, reducing, suspending, and revoking clinical privileges based on the individua l's qualifications, experience, and current professional competence. The Medical Staff Bylaws shall also include a mechanism for reviewing decisions related to these recommendations, including the right to be notified of application status when requested by the practitioner. The final decision in these reviews must be rendered by the Board within a reasonable period of time.

10.1.3 The executive body of the Medical Staff will make its medical staff recommendations to the Board after conducting the due diligence required by, and in accordance with the procedures set forth in, the Medical Staff Bylaws. When the Board does not concur with the recommendation of the executive body of the Medical Staff

relative to medical staff appointment, reappointment, or termination of appointment and/or the granting, reducing, suspending or revoking of clinical privileges, there shall be provision for a review of the recommendation consistent with the Medical Staff Bylaws before the Board renders a final decision. No applicant shall be denied medical staff membership and/or clinical privileges on the basis of age, race, creed, color, religion, national origin, sexual orientation, gender, gender identity, gender expression, or genetic information.

10.1.4 Non-Physician Clinical Providers are credentialed, privileged, reviewed, recommended, and ultimately approved or denied by the Board as outlined in the Medical Staff Bylaws.

10.2 Bylaws of Medical Staff. The Medical Staff shall be governed by its own Bylaws. Such Bylaws shall be subject to approval by the Board, and changes in such Bylaws thereafter shall not take effect until approved by the Board. The Medical Staff Bylaws and Rules and Regulations may not be unilaterally amended by either the Medical Staff or the Board of Managers, except that the Medical Staff Rules and Regulations may be provisionally amended by the Medical Executive Committee on an urgent basis to comply with laws and regulations; provided, however, the Medical Executive Committee shall notify the Board of any such urgent provisional amendments at the next meeting of the Board's Quality of Care and Patient Safety Committee.

ARTICLE XI.

ADMINISTRATION

11.1 Administrator/Chief Executive Officer. The Board shall appoint an Administrator, qualified by training and experience, who shall be the Chief Executive Officer of the Hospital District. The CEO shall be selected by a majority vote of the members of the Board at such compensation as determined by the Board. The CEO shall be given the necessary authority and be held responsible for the management of the Hospital District in accordance with the law and policies and procedures adopted or approved by the Board. The CEO shall employ and direct the work of all employees except as otherwise provided in these Bylaws. The CEO shall attend meetings of the Board, except as the Board may otherwise determine, and, as required, shall make reports to the Board. The CEO shall supervise the work and activities of the Hospital District and provide the general direction of its affairs in accordance with applicable policies, rules, and regulations. The Board will annually evaluate the performance of the CEO based on criteria established by the Board in consultation with the CEO.

11.2 Chief Governance Officer. The Board shall designate a Chief Governance Officer, who shall work in coordination with the CEO to ensure Board members have timely access to the information necessary for consideration and decision by the Board and its Committees. The Chief Governance Officer in consultation with the CEO, General Counsel, and Board Committee Liaisons will also draft agendas (with the final approval of such agenda being with the Board or Committee Chair) and assist with Board and Committee meetings as directed by the Board and with attention to priority Board and Committee matters as specified by the Board and Committee

Chairs. In addition, the Chief Governance Officer will manage the annual Board development process.

ARTICLE XII.

FINANCIAL OPERATIONS

12.1 Funds. Current operating and capital funds may be expended by the CEO to accomplish the activities of the Hospital District within the Budget approved annually by the Board. Interest and sinking funds that are set aside by the Board from the proceeds of the Hospital District tax may be used only to pay the interest and principal payments in accordance with a prearranged plan.

12.2 Annual Audit. The financial records of the Hospital District and its facilities shall be audited annually by an independent certified public accountant selected by the Board.

12.3 Purchasing. The purchasing activities of the Hospital District and its facilities shall be conducted in accordance with policies approved by the Board.

ARTICLE XIII.

ANCILLARY ORGANIZATIONS

13.1 In addition to the Parkland Health Auxiliary, the Board may establish any ancillary organizations as it may deem necessary for the accomplishment of its objectives. The ancillary and advisory functions of such bodies shall be clearly defined. Their bylaws, rules, and regulations, and changes thereto, shall always be subject to approval by the Board before becoming effective and shall be ratified by the Board periodically. Their contacts with the internal organization of the Hospital District shall always be through the CEO or his designated representative.

ARTICLE XIV.

GIFTS AND REQUESTS

14.1 The Board recognizes the Parkland Foundation, a Texas non-profit corporation, as an authorized fundraising agent and the administrator of charitable and grant funds on behalf of the Hospital District. In accordance with Sections 501(c) 3 and 509(a)1 of the Internal Revenue Code, the Parkland Foundation qualifies as the charitable support organization of a government entity and is controlled by the Hospital District through appointment of a majority of directors to the Parkland Foundation Board.

14.2 On behalf of the Hospital District, the Parkland Foundation is authorized to solicit and accept donations, gifts, endowments, and grants to be held in trust and administered by Parkland Foundation Board of Directors for such purposes and under such directions, limitation, and provisions as may be described in writing by the donor or grantor. Such administration shall

be consistent with the proper management and objectives of the Hospital District. Such monies shall be accounted for in the same manner as all other funds of the Hospital District.

14.3 Donations upon which the donor has placed condition of use are to be held in trust by Parkland Foundation and may be expended only for the purposes specified.

ARTICLE XV.

POLICY AND OFFICIAL POSITION STATEMENTS

15.1 Policy and official position statements of the Board will be made only after concurrence by a majority vote of the Board and shall be issued to the news media only through the Chair or the Chair's designee or the CEO.

ARTICLE XVI.

CONFLICT OF BYLAWS

16.1 If any provision of these Bylaws now or hereafter conflicts with any statute or any other law of the State of Texas relating to the operation of the Hospital District, such statute or other law, as long as it is in effect, shall take precedence over these Bylaws.

ARTICLE XVII.

CONFLICT OF INTEREST

17.1 To avoid conflicts of interest, all Board members shall comply with the Hospital District's Conflict of Interest Policy applicable to Board members, and no Board member, officer, or employee of the Hospital District shall:

(a) have a substantial interest or substantial ownership in a firm that supplies, or knowingly seeks to supply goods or services to the Hospital District; or

(b) engage in outside business ventures which would conflict with their duties as Board members.

17.2 Board members, Officers, Department Directors, and other personnel as determined by policy will be required to complete a disclosure statement, including such information, in such form, and at such times as may be required by the Board from time to time.

17.3 Board members must execute a disclosure statement at the time of their appointment and re- appointment, and annually thereafter. The General Counsel and the Chief Compliance and Ethics Officer will maintain current disclosure statements for each Board member.

ARTICLE XVIII.

INDEMNIFICATION OF MEMBERS OF THE BOARD AND OFFICERS OF THE HOSPITAL DISTRICT

To the extent permitted by law, each person who is a current or past member or officer of the Board of the Hospital District and any person who acts as a member or officer of any subsidiary or affiliate organization of the Hospital District, when acting in good faith and in a manner reasonably believed to be in the best interests of the District, shall be indemnified by the Hospital District against any costs, expenses, and liabilities, regardless of when they arise, that may be imposed or reasonably incurred by the indemnitee in connection with any civil or criminal proceeding in which such indemnitee may be named as a party by reason of being, or having been, or by reason of any action alleged to have been taken or not taken by the indemnitee acting in the capacity described above. In the event of the death of an indemnitee, the right of indemnification shall extend to such indemnitee's legal representative.

The indemnification provided herein shall not extend to any costs, expenses, or liabilities imposed upon or incurred by any indemnitee in relation to matters which such indemnitee shall be adjudged to be liable for gross negligence or to any sum paid by the indemnitee to the Hospital District or to such subsidiary or affiliated organization in settlement of any action, suit, or proceeding based on the indemnitee's actions.

These indemnification provisions are expressly made subject to funds being available in the Hospital District's annual budget approved by the Commissioners Court to pay the Hospital District's obligation. To the extent such funds are not available, the Hospital District shall use its best efforts to obtain such funds in the following or subsequent years (unless the Commissioners Court has indicated such budget request will not be approved). Indemnification pursuant to this Article shall be in addition to any coverage available through the Hospital District's applicable policy of Director's and Officer's insurance.

ARTICLE XIX.

AMENDMENTS

19.1 A Bylaws Committee will be appointed by the Chair no less than every three years to review and make recommendations concerning amendments. Amendments to the Bylaws shall require an eight-elevenths vote of the entire Board and can be enacted at any regular meeting or at any special meeting called for such purpose, provided the proposed changes in the Bylaws have been furnished in writing to each member of the Board at least five days prior to the date set for action thereon. This latter provision may be waived by board action or a unanimous vote of all members of the Board when all members of the Board are in attendance. All Bylaws amendments must be consistent with applicable laws.

ARTICLE XX.

ADOPTION

20.1 The bylaws, as amended, shall become effective immediately upon their adoption by the Board and supersede all previous Bylaws adopted by the Board.

20.2 These Bylaws, as amended, were adopted by the Board of Managers of the Dallas County Hospital District of Dallas County, Texas, at its regular meeting on the 29th day of June, 2022.

_____
Marjorie D. Petty, JD, Chair
Dallas County Hospital District
June 29, 2022

BYLAWS

OF THE

BOARD OF MANAGERS OF THE

DALLAS COUNTY HOSPITAL DISTRICT

Initial Board Approval: April 28, 2001
Revised: March 27, 2007
October 23, 2007
January 22, 2008
March 25, 2008
July 28, 2009
September 22, 2009
June 28, 2011
April 24, 2012
August 28, 2013
July 29, 2014
January 13, 2016
August 24, 2016
November 18, 2020
October 27, 2021
June 29, 2022

PREAMBLE

The Dallas County Hospital District (hereinafter referred to as the "Hospital District") is established and operated pursuant to Chapter 281, Texas Health & Safety Code), and the Hospital District is governed by such statute and other applicable laws of the State of Texas. The provisions of the governing laws, therefore, are included in these Bylaws only to the extent necessary for clarification. In order to provide for the orderly implementation of the statutes of authorization, the Board of Managers (therein and hereinafter referred to as the "Board") adopts the following Bylaws.

ARTICLE I.

VISION

We will advance Health Equity through excellence as a Public Health System.

ARTICLE II.

MISSION

Advance Wellness | Relieve Suffering | Develop and Educate

ARTICLE III.

VALUES

Serving as our cultural cornerstone, Parkland's values are those inherent principles that guide our organization and are reflected in our employees' actions.

Parkland's values are:

I CARE

Integrity
I will be honest, trustworthy, authentic, humble and transparent.

Compassion and Collaboration
I will provide service in a spirit of empathy, concern, and love. I will work together with others to deliver excellent care for our community.

Accountability
I will hold myself and others responsible for high standards of excellence, stewardship, and will welcome feedback.

Respect
I will value the unique and diverse experiences of others and treat everyone with kindness and humility.

Equity
I will value the diversity of patients and colleagues and strive to promote everyone's health, dignity, and voice.

ARTICLE IV.

DUTIES OF THE BOARD

4.1 As the governing body of the Hospital District, the Board has fiduciary and statutory duties to ensure that the Hospital District is administered and operated effectively and that it fulfills its statutory mission as a public safety net health system and an academic medical center. The Board is ultimately responsible for the access to, and quality of, care provided by the Hospital District and for the safety of its patients. Subject to any express statutory or regulatory provisions or restrictions, and as more fully described in these Bylaws, the Board's oversight shall include but not be limited to the following areas: the hiring, evaluation, and termination of certain executives who are dual reports to the Board and the CEO as set forth below; ; budget development and post-approval implementation; public communications; external affairs; community and government relations; provider credentialing and privileging; medical staff affairs; executive compensation; adoption and adherence to financial policies and reporting; human resources policies; legal and regulatory compliance; and strategic planning. The Board shall have the sole authority to hire, evaluate, and terminate the Chief Executive Officer (CEO). The Chief Audit Officer and the General Counsel shall have dual reporting responsibility to the CEO and the Board. Therefore, a simple majority of a quorum of the Board attending the meeting plus the CEO are required for the hiring and termination of the Chief Audit Officer and the General Counsel. The CEO shall conduct the evaluations of the Chief Audit Officer and the General Counsel, in consultation with the Board. The Board is also responsible for the orientation, development and education of Board members and for evaluating the Board's overall performance.

4.2 Every five (5) years, the Board will retain an independent board governance expert to review and evaluate the Board's governance practices considering industry best practices. The expert will make recommendations to the Board regarding best practices and the actions the Board should consider taking to enhance its governance practice.

ARTICLE V.

MEMBERSHIP OF THE BOARD

5.1 The Board shall consist of eleven members, who serve without compensation and through appointment by the Commissioners Court. Members serve a term of three years and can serve up to two consecutive terms. The Commissioners Court fills the remainder of any un-expire d term. Board members may serve until a successor is appointed and qualified.

ARTICLE VI.

OFFICERS OF THE HOSPITAL DISTRICT

6.1 Election of Officers. At its annual meeting every two years, the Board shall elect a Chair, Vice Chair, and Secretary. The Board Officers shall serve a two-year term and may serve up to two consecutive terms in any office. The Board Officers shall be eligible for reelection after expiration of a two-year term following their service as an officer. Board Officer nominees are preferred to have one year of service on the Board and must be on an unexpired term or eligible for reappointment. The General Counsel of the Hospital District shall serve as Assistant Secretary. The Board may from time to time establish procedures for the nomination and election of Board officers.

6.2 Vacancies. A vacancy in any office shall be filled by the Board of Managers by election at any regular or special meeting. The vacancy shall be filled for the remainder of the current term.

6.3 Duties of Chair

6.3.1 The Chair shall preside at all meetings of the Board.

6.3.2 The Chair shall appoint the members of all standing committees and designate their Chair. The Chair shall appoint all special committees and shall fill all committee vacancies that may arise therein.

6.3.3 With regard to Board committees on which the Chair is not a standing committee member, the Chair shall be an ex-officio member, without vote, provided, however, that the Chair may be appointed as a temporary member to such committee under Article VII, Section 7.9.2 with the right to vote, if necessary, to constitute a quorum.

6.3.4 The Chair may, at the Chair's discretion unless otherwise instructed by the Board, refer matters coming before the Board to the proper committee of said Board for consideration, recommendation, or action if authorized to take such action by these Bylaws or the Board.

6.3.5 The Chair or the Chair's designee shall execute all Board correspondence on behalf of the Board.

6.3.6 The Chair or the Chair's designee shall cause a certified agenda, minutes, or other appropriate record to be prepared for any open or closed meeting at which the Secretary or Assistant Secretary is not present.

6.4 Duties of the Vice Chair. The Vice Chair shall perform the duties of the Chair in the Chair's absence or in the event of the Chair's resignation, death, disability or inability to serve pending selection of the Chair's successor at either a regular or special meeting of the Board to be held as soon as reasonably practical.

6.5 Duties of the Secretary

6.5.1 The Secretary shall be a member of the Board or the Hospital District's administrator/CEO. The Secretary shall keep suitable records of all proceedings of each meeting of the Board and its committees. Such records shall be read and signed after each meeting by the Chair or the member presiding and attested to by the Secretary.

6.5.2 In addition to the duties herein before described, the Secretary assisted by the Chief Governance Officer shall notify the members of the Board of all regular and special meetings of the Board and its committees in the following fashion:

(a) For all regular meetings, the Secretary shall notify all members in writing or electronically at least 72 hours in advance of such meetings.

(b) In the event of special meetings of the Board or a Committee, the Secretary shall notify each Board member via telephone or by other appropriate immediate means. If the Secretary cannot reach a Board member via telephone, the Secretary shall notify such Board member of the date, time and specific purpose of such special meeting via wire, facsimile, or electronic mail sent to the Board member's home or office setting.

(c) The Secretary shall comply with the requirements of the Texas Open Meetings Act and applicable laws concerning Medical Peer Review with respect to all notices of Board and committee meetings.

(d) The Secretary shall record all votes by Board members by name, except when all members are present and the vote is unanimous, or by other means that clearly record how each Board member voted.

6.6 Duties of the Assistant Secretary

6.6.1 The General Counsel shall serve as the Assistant Secretary and, in the absence or at the request of the Secretary, may perform any act required of the Secretary by the Bylaws.

6.6.2 In the event there is a requirement or request that the Chief Executive Officer's signature or office be verified or certified, such verification or certification shall be performed by the Assistant Secretary. If the Assistant Secretary is unable to verify or certify the signature of the office of the CEO then the Chair of the Board or the Vice Chair of the Board is authorized to perform either of such functions.

ARTICLE VII.

COMMITTEES OF THE BOARD

The Committees of the Board shall be standing or special. The Standing Committees shall consistent of the following: (1) Audit; (2) Budget and Finance; (3) Talent Development and Executive Compensation; (4) Quality of Care and Patient Safety; (5) Facilities; (6) Governance, Compliance and Ethics; and such other Standing Committees as the Board may authorize. In the absence of specific authority delegated by the Board, Standing Committees shall have authority only to make recommendations to the Board. The Board may appoint ex officio, non-voting advisors with subject matter expertise or experience to its Standing Committees. The determination of whether a quorum is present shall be based on the number of Board members on the Standing Committee.

7.1 Audit Committee

7.1.1 The Audit Committee shall consist of a Chair and at least two other members of the Board. It shall receive and review audit reports prepared by the Interna l Audit Services Department and assist with the Department's audit planning. The Audit Committee shall review the staffing needs and the budget of the Internal Audit Services Department. The Committee is also responsible for the oversight of the Hospital District's internal controls, and the Internal Audit Services Department and the Chief Audit Executive. The Audit Committee shall also receive periodic reports from the General Counsel on litigation matters.

7.1.2 The executive liaisons to the Committee shall be the Chief Financial Officer, Chief Audit Executive, Chief Governance Officer, and the General Counsel, all of whom shall assist the Committee and the Committee Chair in discharging their responsibilities.

7.2 Budget and Finance Committee

7.2.1 The Budget and Finance Committee shall consist of a Chair and at least two other members of the Board. The Committee shall at all times be familiar with the income and expenditures of the Hospital District (appropriately seeking additional supportive material, as necessary for understanding); advise the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer in connection with the preparation of the Budget; review the proposed budget in advance of presentation to the Board; and make recommendations to the Board. The Committee shall provide reports and make recommendations regarding the investment of assets of all Dallas County Hospital District employee retirement plans, as appropriate or necessary. The Committee shall exercise general oversight of purchasing activities and contracts and shall recommend to the Board policies or procedures related to contracting for goods and services.

7.2.2 Within specific parameters adopted by the Board from time to time, the Committee shall have the authority to approve contracts requiring Board approval and shall provide routine reports to the Board of its actions and consideration of such contracts.

7.2.3 The executive liaisons to the Committee shall be the Chief Executive Officer, the Chief Financial Officer, Chief Governance Officer, and the General Counsel, all of whom shall assist the Committee and the Committee Chair in discharging their responsibilities.

7.3 Talent Development and Executive Compensation Committee

7.3.1 The Talent Development and Executive Compensation Committee shall consist of a Chair and at least two other Board members. The Committee shall review the performance of the CEO and evaluate, determine and recommend the appropriate compensation to the Board. The Committee shall work closely with the Chief Executive Officer, the General Counsel, and the Chief Talent Officer to evaluate and recommend the Hospital District's Executive Compensation philosophy to the Board.

7.3.2 The executive liaisons to the Committee shall be the CEO, the Chief Talent Officer, and the Chief Governance Officer, all of whom shall assist the Committee and the Committee Chair in discharging their responsibilities.

7.4 Quality of Care and Patient Safety Committee

7.4.1 The Quality of Care and Patient Safety Committee shall consist of a Chair and at least two other Board members. The Board has oversight authority over the health system's Quality, Safety, and Performance Improvement Program (the "Quality Program"). The Committee shall assist the Board with its charge to oversee patient safety and quality of care. The Committee is responsible for assessing the delivery of quality patient care throughout the system. The Committee shall assist in determining the need for policies, procedures, and practices that, through continuous quality improvement, achieve the optimal level of quality and safety to patients in a cost-effective manner. The Hospital District's management will provide reports on clinical quality and patient safety activities. These reports may address such issues as clinical quality, patient safety, and compliance with regulatory and accreditation activities.

7.4.2 The Committee may evaluate requests for credentials (*i.e.,* Privileges and Membership) of a Practitioner or Non-Physician Clinical Provider and recommend the

Board approve, deny or modify the requests. The Board shall have final authority regarding credentialing decisions.

7.4.3 The Committee shall have the authority to approve routine peer review recommendations from the MEC that require Board approval and shall provide routine reports to the Board of its actions and consideration on such matters.

7.4.4 The Committee may consider the MEC's recommendation after a formal investigation and recommend action to the Board. The Board shall make the final decision. The Board also has the final authority to restrict or revoke Privileges or Membership based upon concerns regarding competence or professional conduct.

7.4.5 The executive liaisons to the Committee shall be the Chief Clinical Officer, Chief Quality and Patient Safety Officer & Associate Chief Medical Officer, and the Chief Governance Officer all of whom shall assist the Committee and the Committee Chair in discharging their responsibilities.

7.5 Facilities Committee

7.5.1 The Facilities Committee will consist of a Chair and at least two other Board members. The Committee shall exercise general oversight over institutional proposals, involving building projects and equipment, included in the development and construction of new buildings for the Hospital District. The Committee shall also be responsible for providing general oversight for the Hospital District's facilities related activities, including its facilities operations, maintenance, grounds, real estate holdings, and leasehold interests.

7.5.2 Within the specific parameters adopted by the Board, the Committee shall review change orders on the construction of new building projects for the Hospital District of $100,000 or more that have been entered into by the Hospital District on a quarterly basis.

7.5.3 The executive liaisons to the Committee shall be the Chief Operating Officer, the Chief Financial Officer, and the Chief Governance Officer all of whom shall assist the Committee and the Committee Chair in discharging their responsibilities.

7.6 Governance, Compliance, and Ethics Committee

7.6.1 The Governance, Compliance and Ethics Committee shall consist of a Chair and at least two other Board members. The Committee shall be responsible for driving Board development, orientation, education, succession planning, and self-assessment. The Committee shall assist the Board with its charge to oversee and implement effective board governance practices.

7.6.2 The Committee is also responsible for the oversight of the Hospital District's Compliance and Ethics Program, the Chief Compliance and Ethics Officer, the

Compliance and Ethics Department, and the Hospital District's compliance with federal and state statutes and regulations, including those that apply to federal healthcare programs.

7.6.3 The executive liaisons to the Committee shall be the Chief Executive Officer, General Counsel, Chief Compliance and Ethics Officer, and the Chief Governance Officer all of whom shall assist the Committee and the Committee Chair in discharging their responsibilities.

7.7 Special Committees

7.7.1 The Chair of the Board may appoint Special Committees of the Board as deemed appropriate by the Chair. The Chair may appoint ex officio, non-voting advisors with subject matter expertise or experience to a Special Committee as deemed appropriate by the Chair. The determination of whether a quorum is present shall be based on the number of Board members on the Special Committee. Special Committees shall limit their activities to the accomplishment of the task for which they are created and appointed and shall have authority only to make recommendations to the Board, unless specific authority is delegated to the Special Committee by the Board. Upon completion of the task for which they are appointed, or at such earlier time as may be determined by the Board, such Special Committees shall be disbanded.

7.8 Meetings

7.8.1 All Standing and Special Committees shall meet at the request of the Committee Chair, the Chair of the Board, or any five members of the Board. A majority of the members of the Committee shall constitute a quorum.

7.8.2 The Chair of the Board may appoint a temporary member or members to any Committee that does not have a quorum present so that a meeting may be conducted. The Committee Chair of a Committee may appoint a temporary member or members to that Committee if the Committee does not have a quorum present so that the meeting might be conducted. Temporary members shall have full authority to vote and participate in meetings for all purposes. Temporary membership terminates at the conclusion of the meeting.

7.8.3 In addition to the duties otherwise prescribed for them, Standing Committees shall be available to receive requests or recommendations from the CEO or her/his designee for assistance with matters concerning their respective areas of responsibility.

7.8.4 The following Standing Committees will have one-on-one sessions with the following Board direct reports, individually, as needed, but no less than annually, as follows:

(a) Audit Committee – Chief Audit Executive

(b) Quality of Care and Patient Safety Committee – Chief Quality and Safety Officer & Associate Chief Medical Officer

(c) Governance, Compliance, and Ethics Committee – Chief Compliance and Ethics Officer

7.9 Vacancies. Any vacancy on any Committee shall be filled by the Chair of the Board.

ARTICLE VIII.

MEETINGS OF THE BOARD

8.1 Regular Meetings

8.1.1 There shall be regular meetings of the Board as determined by the Chair of the Board, provided that meetings are held not less than quarterly.

8.1.2 The agenda for these meetings shall include any items appropriate for governing and overseeing the affairs of the Hospital District.

8.1.3 The Board will have one-on-one sessions in Executive Session with the CEO, Chief Audit Officer, and General Counsel, individually, as needed, but no less than annually, and as allowed by law.

8.2 Annual Meetings: Board Officer Election

8.2.1 The annual meeting shall be the first regular meeting following the first day of January each year.

8.2.2 The Board shall hold Board Officer Elections every two years and shall follow the then current Board Election Process adopted by the Board, which may be amended from time to time. The agenda for the annual meeting that includes Board Officer Elections shall include:

(a) Election and installation of officers of the Board; and

(b) Such other matters as may come to the attention of the Board.

8.3 Special Meetings. Special meetings of the Board may be called by the Chair of the Board, or by the Secretary at the request of at least five members of the Board, and when so called shall confine the activities of the special meeting to the purpose for which it was called. Notice of the special meetings shall be governed by the provisions of these Bylaws and the Texas Open Meetings Act.

8.4 Emergency Meetings. Emergency Meetings are limited to agenda items wherein there exists an imminent threat to the public health and safety or reasonable unforeseeable situations requiring immediate action by the Hospital District as authorized by the Texas Open Meetings Act or as otherwise provided by law. One hour is sufficient advance notice, provided all other provisions of State law are met, including notice to the news media.

8.5 Continued Meetings. Any regular, annual, or special meetings may be continue d from time to time until the business thereof is accomplished as provided by the Texas Open Meetings Act and applicable law; provided, however, that no continuation shall extend beyond the next regular business day after the day on which the meeting was called. If a meeting is to be continued beyond the next regular business day, notice required for a meeting under the Texas Open Meetings Act or as otherwise provided by law must be given. Unless otherwise directed by the Board at the time of any recess of a meeting, the Chair shall designate the time and place for the meeting to reconvene to the following regular business day.

8.6 Quorum. The presence of the majority of the Board shall constitute a quorum for the transaction of business, and a lesser number may recess a meeting until a later specified date when a quorum shall be present.

8.7 Failure to Attend. In accordance with the Board and Committee Guidelines, members of the Board shall endeavor to regularly attend all Board meetings and the meetings of the Committees of which they are a member. If a Board member's attendance is unsatisfactory, the Chair may counsel with said member to encourage better attendance. As necessary, a report of each member's attendance at all Board and Committee meetings shall be prepared for and presented to the Commissioners Court for review.

8.8 Public Meetings. All regular, annual, or special meetings of the Board shall be open to the public, except that the Board may hold Executive Sessions or Closed Meetings as authorize d by the Texas Open Meetings Act and applicable law.

8.9 Notice of Meetings. Notice of any regular or special meetings of the Board shall be as specified in Article VI, Sections 6.5.2 (a) and (b).

ARTICLE IX.

CONDUCT OF BUSINESS

9.1 Order of Business for Regular Meetings. The order of business for regular meetings should be determined by the Chair of the Board, subject to such changes as may be made by vote of the Board.

9.2 Public Comments. The “public comments" agenda item allows any member of the public wishing to appear before the Board to speak at an open Board or Committee meeting pursuant to the policies and procedures adopted by the Board and as authorized by the Open Meeting. At a minimum, such procedures shall allow members of the public to comment on items placed on the agenda prior to action and for a designated amount of time. If more than one person

is present to speak on the same matter or topic, they will choose one person to represent the group or divide the time allotment amongst them. In the event the group cannot agree on the representative to speak or agree on the allocation of time, the Chair may designate a representative or allocate the time. The Board may extend the time limits as it deems appropriate.

9.3 Rules of Order. The most recent edition of *Robert's Rules of Order* may be utilized as a guide, but shall not be required, to assist in the proceedings of meetings of the Board in all cases to which same are applicable and which are not inconsistent with the Bylaws of the Board and applicable laws. The Chair shall endeavor to carry out the meeting in an efficient, fair and productive manner.

9.4 Records of the Meetings. Minutes of all meetings of the Board and Committee s shall be sent to all the Board members in advance of the next scheduled Board meeting at which the minutes will be reviewed.

ARTICLE X.

MEDICAL STAFF

10.1 Membership.

10.1.1 The Medical Executive Committee shall be selected and governed as referenced in the Medical Staff Bylaws. The Medical Staff Bylaws shall provide a mechanism for medical staff governance, including an executive body, the Medica l Executive Committee, which shall act for and report to the Medical Staff. The Medical Executive Committee shall make recommendations and advise the Board regarding issues that pertain to the Medical staff.

10.1.2 The Board shall appoint a Medical Staff composed of physicians, dentists, oral and maxillofacial surgeons, or podiatrists and shall see that they are organized into a responsible administrative unit and adopt such bylaws, rules, and regulations for governance of their practice in the Hospital District as the Board deems to be of the greatest benefit to the care of patients. Such appointments will be made in accordance with the Medical Staff Bylaws. The Medical Staff Bylaws and Medical Staff Rules and Regulations shall include a procedure for making recommendations to the Board concerning staff appointments and re-appointments, as well as granting, reducing, suspending, and revoking clinical privileges based on the individua l's qualifications, experience, and current professional competence. The Medical Staff Bylaws shall also include a mechanism for reviewing decisions related to these recommendations, including the right to be notified of application status when requested by the practitioner. The final decision in these reviews must be rendered by the Board within a reasonable period of time.

10.1.3 The executive body of the Medical Staff will make its medical staff recommendations to the Board after conducting the due diligence required by, and in accordance with the procedures set forth in, the Medical Staff Bylaws. When the Board does not concur with the recommendation of the executive body of the Medical Staff

relative to medical staff appointment, reappointment, or termination of appointment and/or the granting, reducing, suspending or revoking of clinical privileges, there shall be provision for a review of the recommendation consistent with the Medical Staff Bylaws before the Board renders a final decision. No applicant shall be denied medical staff membership and/or clinical privileges on the basis of age, race, creed, color, religion, national origin, sexual orientation, gender, gender identity, gender expression, or genetic information.

10.1.4 Non-Physician Clinical Providers are credentialed, privileged, reviewed, recommended, and ultimately approved or denied by the Board as outlined in the Medical Staff Bylaws.

10.2 Bylaws of Medical Staff. The Medical Staff shall be governed by its own Bylaws. Such Bylaws shall be subject to approval by the Board, and changes in such Bylaws thereafter shall not take effect until approved by the Board. The Medical Staff Bylaws and Rules and Regulations may not be unilaterally amended by either the Medical Staff or the Board of Managers, except that the Medical Staff Rules and Regulations may be provisionally amended by the Medical Executive Committee on an urgent basis to comply with laws and regulations; provided, however, the Medical Executive Committee shall notify the Board of any such urgent provisional amendments at the next meeting of the Board's Quality of Care and Patient Safety Committee.

ARTICLE XI.

ADMINISTRATION

11.1 Administrator/Chief Executive Officer. The Board shall appoint an Administrator, qualified by training and experience, who shall be the Chief Executive Officer of the Hospital District. The CEO shall be selected by a majority vote of the members of the Board at such compensation as determined by the Board. The CEO shall be given the necessary authority and be held responsible for the management of the Hospital District in accordance with the law and policies and procedures adopted or approved by the Board. The CEO shall employ and direct the work of all employees except as otherwise provided in these Bylaws. The CEO shall attend meetings of the Board, except as the Board may otherwise determine, and, as required, shall make reports to the Board. The CEO shall supervise the work and activities of the Hospital District and provide the general direction of its affairs in accordance with applicable policies, rules, and regulations. The Board will annually evaluate the performance of the CEO based on criteria established by the Board in consultation with the CEO.

11.2 Chief Governance Officer. The Board shall designate a Chief Governance Officer, who shall work in coordination with the CEO to ensure Board members have timely access to the information necessary for consideration and decision by the Board and its Committees. The Chief Governance Officer in consultation with the CEO, General Counsel, and Board Committee Liaisons will also draft agendas (with the final approval of such agenda being with the Board or Committee Chair) and assist with Board and Committee meetings as directed by the Board and with attention to priority Board and Committee matters as specified by the Board and Committee

Chairs. In addition, the Chief Governance Officer will manage the annual Board development process.

ARTICLE XII.

FINANCIAL OPERATIONS

12.1 Funds. Current operating and capital funds may be expended by the CEO to accomplish the activities of the Hospital District within the Budget approved annually by the Board. Interest and sinking funds that are set aside by the Board from the proceeds of the Hospital District tax may be used only to pay the interest and principal payments in accordance with a prearranged plan.

12.2 Annual Audit. The financial records of the Hospital District and its facilities shall be audited annually by an independent certified public accountant selected by the Board.

12.3 Purchasing. The purchasing activities of the Hospital District and its facilities shall be conducted in accordance with policies approved by the Board.

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ARTICLE XIV.

GIFTS AND REQUESTS

14.1 The Board recognizes the Parkland Foundation, a Texas non-profit corporation, as an authorized fundraising agent and the administrator of charitable and grant funds on behalf of the Hospital District. In accordance with Sections 501(c) 3 and 509(a)1 of the Internal Revenue Code, the Parkland Foundation qualifies as the charitable support organization of a government entity and is controlled by the Hospital District through appointment of a majority of directors to the Parkland Foundation Board.

14.2 On behalf of the Hospital District, the Parkland Foundation is authorized to solicit and accept donations, gifts, endowments, and grants to be held in trust and administered by Parkland Foundation Board of Directors for such purposes and under such directions, limitation, and provisions as may be described in writing by the donor or grantor. Such administration shall

be consistent with the proper management and objectives of the Hospital District. Such monies shall be accounted for in the same manner as all other funds of the Hospital District.

14.3 Donations upon which the donor has placed condition of use are to be held in trust by Parkland Foundation and may be expended only for the purposes specified.

ARTICLE XV.

POLICY AND OFFICIAL POSITION STATEMENTS

15.1 Policy and official position statements of the Board will be made only after concurrence by a majority vote of the Board and shall be issued to the news media only through the Chair or the Chair's designee or the CEO.

ARTICLE XVI.

CONFLICT OF BYLAWS

16.1 If any provision of these Bylaws now or hereafter conflicts with any statute or any other law of the State of Texas relating to the operation of the Hospital District, such statute or other law, as long as it is in effect, shall take precedence over these Bylaws.

ARTICLE XVII.

CONFLICT OF INTEREST

17.1 To avoid conflicts of interest, all Board members shall comply with the Hospital District's Conflict of Interest Policy applicable to Board members, and no Board member, officer, or employee of the Hospital District shall:

(a) have a substantial interest or substantial ownership in a firm that supplies, or knowingly seeks to supply goods or services to the Hospital District; or

(b) engage in outside business ventures which would conflict with their duties as Board members.

17.2 Board members, Officers, Department Directors, and other personnel as determined by policy will be required to complete a disclosure statement, including such information, in such form, and at such times as may be required by the Board from time to time.

17.3 Board members must execute a disclosure statement at the time of their appointment and re- appointment, and annually thereafter. The General Counsel and the Chief Compliance and Ethics Officer will maintain current disclosure statements for each Board member.

ARTICLE XVIII.

INDEMNIFICATION OF MEMBERS OF THE BOARD AND OFFICERS OF THE HOSPITAL DISTRICT

To the extent permitted by law, each person who is a current or past member or officer of the Board of the Hospital District and any person who acts as a member or officer of any subsidiary or affiliate organization of the Hospital District, when acting in good faith and in a manner reasonably believed to be in the best interests of the District, shall be indemnified by the Hospital District against any costs, expenses, and liabilities, regardless of when they arise, that may be imposed or reasonably incurred by the indemnitee in connection with any civil or criminal proceeding in which such indemnitee may be named as a party by reason of being, or having been, or by reason of any action alleged to have been taken or not taken by the indemnitee acting in the capacity described above. In the event of the death of an indemnitee, the right of indemnification shall extend to such indemnitee's legal representative.

The indemnification provided herein shall not extend to any costs, expenses, or liabilities imposed upon or incurred by any indemnitee in relation to matters which such indemnitee shall be adjudged to be liable for gross negligence or to any sum paid by the indemnitee to the Hospital District or to such subsidiary or affiliated organization in settlement of any action, suit, or proceeding based on the indemnitee's actions.

These indemnification provisions are expressly made subject to funds being available in the Hospital District's annual budget approved by the Commissioners Court to pay the Hospital District's obligation. To the extent such funds are not available, the Hospital District shall use its best efforts to obtain such funds in the following or subsequent years (unless the Commissioners Court has indicated such budget request will not be approved). Indemnification pursuant to this Article shall be in addition to any coverage available through the Hospital District's applicable policy of Director's and Officer's insurance.

ARTICLE XIX.

AMENDMENTS

19.1 A Bylaws Committee will be appointed by the Chair no less than every three years to review and make recommendations concerning amendments. Amendments to the Bylaws shall require an eight-elevenths vote of the entire Board and can be enacted at any regular meeting or at any special meeting called for such purpose, provided the proposed changes in the Bylaws have been furnished in writing to each member of the Board at least five days prior to the date set for action thereon. This latter provision may be waived by board action or a unanimous vote of all members of the Board when all members of the Board are in attendance. All Bylaws amendments must be consistent with applicable laws.

ARTICLE XX.

ADOPTION

20.1 The bylaws, as amended, shall become effective immediately upon their adoption by the Board and supersede all previous Bylaws adopted by the Board.

20.2 These Bylaws, as amended, were adopted by the Board of Managers of the Dallas County Hospital District of Dallas County, Texas, at its regular meeting on the 29th day of June, 2022.

_____
Marjorie D. Petty, JD, Chair
Dallas County Hospital District
June 29, 2022

Parkland

Approve Medical Executive Committee Resolution for Appointments/Reappointments, Privileges and Staff Status Changes of the Medical Staff and Non-Physician Clinical Providers

DALLAS COUNTY HOSPITAL DISTRICT
PARKLAND HEALTH

RESOLUTION NO. _____

RESOLUTION

Be it resolved, the Dallas County Hospital District Board of Managers by a vote of _____ YES and ____ NAY, does by this resolution adopt/reject the following:

WHEREAS, the Medical Executive Committee recommends approval of the Appointments/Reappointments, Privileges and Staff Status Changes of the Medical Staff and Non-Physician Clinical Providers as presented.

THEREFORE BE IT RESOLVED that the Board of Managers approves the recommended Appointments/Reappointments, Privileges and Staff Status Changes of the Medical Staff and Non-Physician Clinical Providers.

Dated this 14th of December, 2022

_____	_____
Marjorie D. Petty, JD	Steve Roth, JD, MPH
Chair	Assistant Secretary

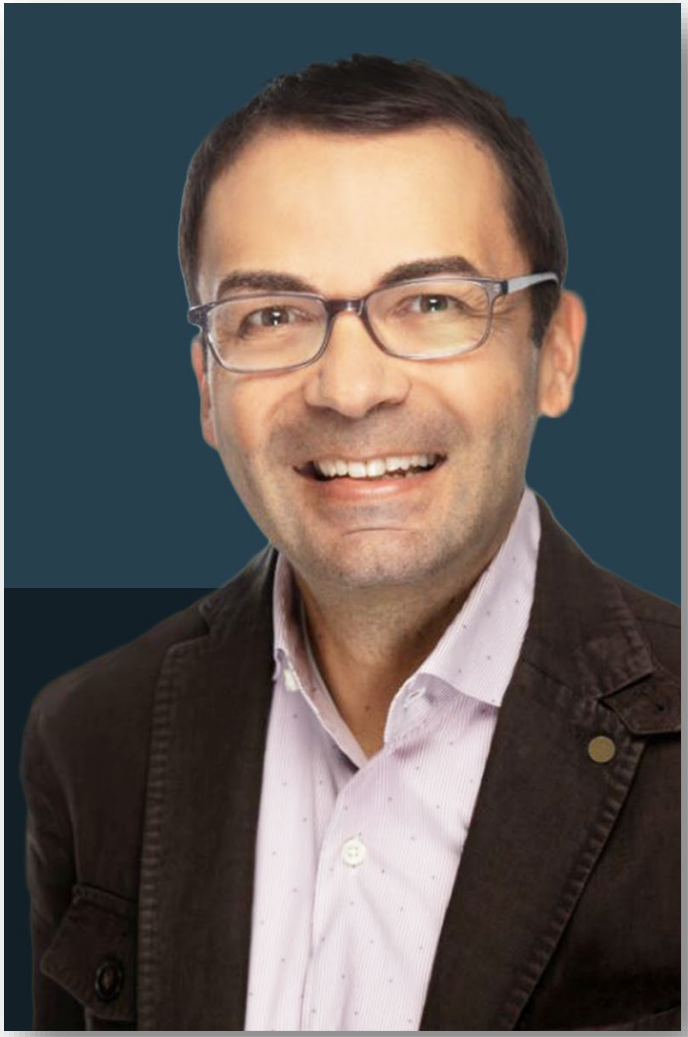
Marjorie D. Petty, JD	Yes_____	No_____	Abstain _____	Absent_____
Don O'Bannon, Esq	Yes_____	No_____	Abstain _____	Absent_____
Jeff Tillotson, JD	Yes_____	No_____	Abstain _____	Absent_____
Eric G. Bing, MD, PhD	Yes_____	No_____	Abstain _____	Absent_____
Todd Furniss, JD	Yes_____	No_____	Abstain _____	Absent_____
Reina Gonzalez, JD	Yes_____	No_____	Abstain _____	Absent_____
Ramon Miguez, PE	Yes_____	No_____	Abstain _____	Absent_____
Farida Minner, RN	Yes_____	No_____	Abstain _____	Absent_____
Elizabeth Palacios, MD	Yes_____	No_____	Abstain _____	Absent_____
John Proctor	Yes_____	No_____	Abstain _____	Absent_____
Lisa Sutter	Yes_____	No_____	Abstain _____	Absent_____

Parkland

Recognitions

Steve Miff, PhD, President & CEO, PCCI

D CEO Dallas 500 by D Magazine



D CEO DALLAS 500

Michael Horne, EdD, President & CEO, Parkland Foundation

D CEO Dallas 500 by D Magazine

D CEO DALLAS 500

Parkland

Pension Plan: Plan Alternatives

Parkland

Questions & Discussion Related to Pension Plan: Plan Alternatives

Parkland

CEO Update on System Operations

Parkland

Questions & Discussion Related to CEO Update on System Operations

Parkland

Executive Session

Personnel Matters Pertaining to Duties and Responsibilities of Chief Executive Officer

Parkland

Executive Session

Personnel Matters Pertaining to Duties and Responsibilities of Board Members

Medical Executive Committee Credentialing Report

Medical Executive Committee Delineation of Privileges Non-Physician Clinical Provider Staff- Pediatrics

Medical Executive Committee
Delineation of Privileges
Psychiatry

Medical Executive Committee
Delineation of Privileges
Teleradiology