Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, June 18th, 2024, 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 11:30 a.m. Committee members Eric G. Bing, MD, PhD, and Byron Cryer, MD, attended in-person.

Board Member attendees included: Marjorie Petty, JD and Vincent Hall.

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

Anika Dachiraju, Collegiate Fellow Intern
Anthony Tarango, Mgr., Nursing
April Audain, , VP-UT Contracts Admin
DeLancey Johnson, SVP & Associate Chief Talent Officer
Edmundo Castaneda, EVP & COO
Felicia Miller, EVP & Chief Talent Officer
Fred Cerise, President & Chief Executive Officer (via Webex)
Gerry Baker, SVP/ Revenue Cycle
Guy Toliver, Dir. Inclusion-Supply Diversity
James Orrison, Administrative Resident
Joseph Longo, SVP Chief Information Officer
Keri Disney-Story, VP/Clinical Finance
Melanie Roberts, SVP/Chief Compliance & Ethics Officer
Morgan Simmons, Governance Program Coordinator
Nneka Egbuniwe, Deputy General Counsel
Pam Bryant, SVP Chief Supply Chain Officer
Rick Humphrey, EVP & Chief Financial Officer (via Webex)
Roberto de la Cruz, EVP & Chief Clinical Officer
Saul Cordero, SVP & Chief Governance & Strategy Officer
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. Approve Contracts over $200,000.

Ramon Miguez specified one of the contract items (S2 – Expense) that will be moved to executive session for discussion following the end of the contract's presentation.

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 typically provides a brief overview of each contract and highlights the MWBE participation, although for the month of June there were no MWBE firms or venders identified to participate in the contracts specified.

Executive Session

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

A. Consultation with Attorney Regarding Life Insurance Program

At 11:55 a.m., the Board went into Executive Session as permitted by the closed meeting exceptions specified on the agenda to discuss contract (S2 – Expense) regarding State Medicaid Health Insurance Payment Program and PFA Patient Helper Program.

Chair adjourned Executive Session and moved into Open Session at 12:05 p.m.

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

Eric G. Bing, MD, PhD, motioned to recommend Board approval of Contracts over $200,000. Vincent Hall seconded the motion. The motion passed unanimously.

B. Approve Capital Substitutions

April Audain presented the capital substitutions for the month of June. April presented the first substitution amount of $1,137,672 regarding the replacement of elevator destination dispatch screens, for approval. April presented the next substitution amount of $272,110 regarding update of equipment for blood irradiators, for approval. The total amount for this month's capital substitutions totaled to $1,409,782.00.

The Committee asked questions and received additional information related to Capital Substitutions.

Eric G. Bing, MD, PhD, motioned to recommend Board approval of Capital Substitutions. Vincent Hall seconded the motion. The motion passed unanimously.

C. Parkland Financial Performance Presentation

Rick Humphrey reviewed the financial results for May 2024 and discussed significant performance variances.

For the month of May, Parkland Health recognized a net income of $15.3M which is $10.2M favorable to the budgeted net income of $5.1M and $14.1M favorable compared to the prior year net income of $1.2M.

Parkland Health's operating margin and operating cash flow margin for the month of May are 0.7% and 4.0%, respectively. The operating margin was favorable compared to budget of (0.8%) and the operating cash flow margin is favorable compared to budget of 2.5%. Parkland Health's operating margin is favorable compared to the prior year operating margin of (2.8%) and favorable to the operating cash flow margin of 0.5% from the prior year.

Parkland Health's patient cash collections in May were $106.9M which is higher than budget by $14.3M and $17.6M above the prior year. Parkland Health's days cash on hand of 216.5 days for the month is a decrease of (20.0) days compared to prior month of 236.5 days and compared to the prior year May of 231.1 days, a decrease of (14.6) days.

The Committee asked questions and received further information related to the Income Statements.

Next, Rick reviewed the Key Statistics and Operational Performance metrics for the month of May (FYTD). Regarding Revenue, Rick mentioned there was good volume and gross patient revenue for the month. Rick presented the total net income for the month of May was $15,289,000 and mentioned another positive month regarding the investment portfolio by about $5 million. The operating income was favorable to the budget plan for the month of May by over $3 million and this was supported by net patient revenues for the month of May as well. Rick mentioned that generally we had a positive volume for the month of May apart from case mix index (acute service line) which was slightly less intensive. Rick also mentioned he is pleased to present mostly positive variances across the board in comparison to last year.

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

Parkland Health FY25 Budget Assumptions Presentation

Rick Humphrey presented on the Parkland Health FY25 budget assumptions. Rick mentioned the softening of overall revenues that are not keeping up with expense and he hopes there will be some increase in supplementals. Net patient revenue has two significant supplemental revenue programs one of which is CHIRP which is expected to reduce in payment limits and increase in commercial reimbursement. There is an

expected 5% increase in tax revenue and several cost removals by FEMA based on current research. Tax rates are trending downward as property values are increasing. There are significant changes to the Medicaid DSH program resulting in much smaller payments and effecting large budget variances, but only minimal variances are expected between FY24 and FY25. The expense assumptions for FY25 include a 2% market adjustment, a 3% merit increase, and 5% benefits increase with 5.5% increase due to inflation for medical and surgical supplies. Rick mentioned the preliminary tax revenue changes, although final rates will be determined upon receipt of the certified tax rolls.

VI. Follow-Up Requests: None

VII. Closing Remarks

VIII. **Adjourn**

With no further business to discuss, Committee Chair Ramon Miguez, PE, adjourned the meeting at 1:10 pm.

SO RECORDED:

RFMA
RFMA (Aug 8, 2024 15:52 CDT)
Ramon Miguez, PE
Committee Chair

Steven J Roth
Steven J Roth (Aug 22, 2024 10:38 CDT)
Steven 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
													May 22, 2024
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1		Expense	Courier Services for the Hospital system	Eagle Express	6/1/2024 - 5/31/2029	$1,392,256	$1,392,256	Request for Proposals (Best Value)	Yes	Pam Bryant, Supply Chain	0%	N/A	N/A
N2		Expense	Mod #3 Tractor Lease for Linen Services	Southwest International Trucks, Inc.	2/25/2019 - 5/24/2029	$218,000	$416,000	Invitation for Bids	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal	Jay Dyck, Linen Services	0%	N/A	N/A
N3		Capital	Mod #1 HOMES Construction	Taurus Commercial, Inc.	4/27/2023 - 8/31/2024	$173,084	$2,345,432	Invitation for Bids	Yes	Harrington, Planning, Design and Construction	57%	Hispanic	Male

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
SOLE SOURCE CONTRACTS - Sorted by Size													
S1		Expense	DaVinci Lease Agreement	Intuitive Surgical	6/1/2024 - 5/31/2031	$9,800,000	$9,800,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal	Cheston Chan, Perioperative Services	0%	N/A	N/A
S2		Expense	State Medicaid Health Insurance Payment Program (HIPP) and PFA Patient Helper Program	Patient Funding Alternatives LLC	Last Signature - No Expiration	$2,000,000	$2,000,000		Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal	Gerry Baker, Patient Financial Services	0%	N/A	N/A
S3		Expense	OviTex Reinforced Tissue Matrix	TELA Bio	Last Signature - 5 Years	$875,000	$875,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal	Cheston Chan, Main OR	0%	N/A	N/A
S4		Expense	Mod #3 Adding funds	Intera Oncology	10/31/2023 - 10/12/2026	$865,000	$1,064,000	Sole Source	Yes	Cheston Chan, Perioperative Services	0%	N/A	N/A
S5		Capital	Mobile Medical Unit	CGS Premier, Inc.	Last Signature - 1 Year	$506,258	$506,258	Sole Source	No	Niccole McKinley, Wish Administration	0%	N/A	N/A
S6		Capital	Mobile Medical Clinic	Farber Specialty Vehicles	6/24/2024 - 6/24/2027	$404,577	$404,577	Sole Source	Yes	Colette White, Community Integrated Health	0%	N/A	N/A

Appendix A (Continued)

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S7		Expense	Mod to Add Funds4 add funds and extend through November 30, 2024	Premier Radiology	8/1/2020 - 5/31/2024	$360,000	$1,100,415	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal	Crystal Harrison/Shawn Grady and Tina Hill, Correctional Health & Radiology	0%	N/A	N/A
S8		Expense	Mod #8 Adding funds Motor Street Garage Elevator Modernization	ThyssenKrupp Elevator	6/14/2012 - 10/31/2025	$306,132	$7,626,919	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal	Shabretta Manning, Engineering Services	0%	N/A	N/A
S9		Expense	Cooper Surgical Insorb Stapler and Forceps	Cooper Surgical Inc	Last Signature - 4/30/2026	$260,000	$260,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal	Cheston Chan, Perioperative Services	0%	N/A	N/A
S10		Expense	Coagu-Sense Point of Care PT/INR test kits	Coagu-Sense	Last Signature - 3 Years	$205,000	$205,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal	Sarah Muna/Scott Hampton, Laboratory Services	0%	N/A	N/A
S11		Expense	Mod #4 Outpatient Dialysis Services – Physician Services	Dallas Nephrology Associates	12/1/2021 - 5/31/2025	$190,000	$1,075,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal	Shannan Bradley, Care Management/Transitional Care	0%	N/A	N/A

Appendix A (Continued)

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S12		Expense	Mod #11 ADD FUNDS ONLY Offsite Record Storage	Iron Mountain Information Management, LLC	5/5/2018 - No Expiration	$189,000	$1,185,409	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal	Denise Pickett , Legal Affairs	0%	N/A	N/A
S13		Expense	Mod #3 Scrub Dispensing Stations Lease and Maintenance	Innovative Product Achievements, LLC	3/1/2019 - 5/31/2027	$108,524	$387,104	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal	Jay Dyck, Linen Services	0%	N/A	N/A