Minutes of the Board of Managers meeting of the Dallas County Hospital District, held Wednesday, November 20th, 2024, scheduled for 2:00 PM. (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 2:11PM.

Board Member attendees included: Vincent Hall, Lisa Sutter, Todd Furniss, JD, Eric G. Bing, MD, Farida Minner, RN, Byron Cryer MD, Ramon Miguez, PE and Elizabeth palacios, MD.

Board members John Proctor and Reina Gonzalez were not present.

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

Bruce McDaniels, VP & Chief Information Security Officer
Beall Carothers, Dir., Real Estate Dev.
Edmundo Castañeda, EVP & Chief Operating Officer (Webex)
Edna Ruano, Public Policy Advisor
Fred Cerise, President & Chief Executive Officer
James Orrison, Administrative Resident
Joseph Chang, SVP & CMO
Jessica Hernandez, SVP & Chief DEI Officer
Joe Longo, Chief Information Officer
Katherine Yoder, VP Government Relations
Lance Mendiola, Interim VP Facilities
Morgan Simmons, Governance Program Coordinator
Melanie Roberts, SVP/Chief Compliance & Ethics Officer
Michael Lane, SVP Chief Quality and Safety Officer
Michael Malaise, SVP Communications Ext. Affairs
Pamela Bryant, SVP/Supply Chain Management
Rick Humphrey, EVP & Chief Financial Officer
Saul Cordero, SVP & Chief Governance & Strategy Officer
Steven Roth, EVP & Chief Legal Office
Stephanie Crank, RN Prof Development Practitioner
Vic Summers, SVP Internal Audit

Additional Attendees:
Socorro Salzar, Dallas County Commission (via Webex)
Rev. April Bristow, SMU Theology (via Webex)

II. Mission Statement

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

III. Invocation

Rev. April Bristow 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

A. Consideration and Appropriate Action Regarding Minutes 2024-10-29 Budget & Finance Committee

B. Consideration and Appropriate Action Regarding Minutes 2024-10-30 Quality of Care and Patient Safety Committee

C. Consideration and Appropriate Action Regarding Minutes 2024-10-30 Board of Managers

Consent Agenda: Contracts

D. Consideration and Appropriate Action Regarding Contracts over $200,000 (See Attached List of Contracts)

Consent Agenda: Policies

A. Consideration and Appropriate Action Regarding SYS.BOP.001 Change of Scope to Policies and Procedures Regarding Parkland Employees

Consent Agenda: Medical Executive Committee Items

B. Consideration and Appropriate Action Regarding Medical Executive Committee Resolution for Appointments/Reappointments, Privileges and Staff Status Changes of the Medical Staff and Non-Physician Clinical Providers

Consent Agenda: Patient Settlements

A. Consideration and Appropriate Action Regarding Patient Settlements

Marjorie Petty asked for a motion of approval for the entire consent agenda. Ramon Miguez, motioned to approve all consent agenda. Todd Furniss seconded the motion.
The motion passed unanimously.

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

A. Recognitions

Marjorie Petty introduced the recognitions portion of the meeting. Felicia Miller introduced the first recognition item with a video displaying Parkland's award for the 2024 Pathways recognition regarding the Crown project implemented at Parkland for people with textured hair who are now offered specific hair care for their stay at the hospital.

Donna Richardson introduced another recognition regarding the Reach for the Stars scholarship program which awards a full tuition break from a private donor to cover all expenses related to nursing school. Donna read the testimony of a candidate to the Board and reminded everyone of the importance of this program.

B. Update and Report on Legislative Agenda

Katherine Yoder provided an update on the Texas legislative session and its potential impact on Parkland Hospital. Katherine mentioned we will see significant changes in the political landscape, with Republicans gaining two seats in the House and new members introduced into the Dallas landscape as well. Key issues Katherine mentioned include Medicaid, 340B control, and the appointment of new committee chairs, which could affect the hospital's operations and finances. Katherine highlighted the high number of bills filed, particularly those related to healthcare, workplace issues, and building regulations, which will require thorough review and feedback from Parkland's subject matter experts who will comb through each of these bills and depict what Parkland will need to focus on.
Katherine also discussed the broader implications of federal and state policies on Parkland Hospital. There is a focus on maintaining Medicaid funding and the 340B program, which is crucial for the hospital's financial stability. Katherine emphasized the need for continued advocacy to prevent cuts to Medicaid and to support initiatives like the hospital at home program which has the potential to be cut entirely. Additionally, there are concerns about local control and property tax policies that could impact the hospital's overall funding. Katherine stressed the importance of staying informed and engaged with legislative developments to protect Parkland's best interests and to not get

too wrapped up in all of the media portrayal until the session has a more final direction and decision.

C. Update and Report by Chief Executive Officer Regarding Strategic and Operational Performance and Plans

Dr. Cerise followed Katherine's presentation on the legislative agenda and mentioned the 340B program drug cost avoidance from past years and how it compares to where we see it landing in the future for Parkland along with the implications if a loss of the program were to occur. Dr. Cerise mentioned Parkland saved $279 million in 2023 due to the 340B program. Dr. Cerise also presented on the drug replacement revenue actuals which are separate from 340B and show the reimbursement from free drug spend.

Dr. Cerise and Rick Humphrey presented on the U.S Not-for-profit health care rating actions as of October 2024. Rick discussed the role of credit agencies like S&P Fitch in giving credit ratings to hospitals such as Parkland on behalf of investors. Parkland issued bonds to fund the hospital, aiming towards a billion dollars. Each year, these credit agencies reaffirm Parkland's credit rating, which is currently at double A. This rating is just below the highest rating of triple A, which is typically reserved for entities like the federal government. The ratings can go down to single A, then to B's, and finally to statuses in the C's. This year, Parkland's double A rating was reaffirmed, meaning there was no upgrade to double A plus or downgrade to double A minus. However, many hospitals faced downgrades this year, with about 40 hospitals being downgraded compared to only 10 hospitals receiving upgrades, indicating a four to one ratio of downgrades to upgrades. This highlights the struggles that not-for-profit healthcare systems are experiencing this year, with more challenges compared to the previous years during the pandemic. Despite these industry-wide struggles, Parkland is doing relatively well financially. This is reflected in Parkland's budget, which has seen a decrease from much higher operating margins to under 2% last year, and this year, they are budgeted right at zero.

Scheduled 5 Minute Break

VIII. Executive Session

At 3:19 pm., the Board went 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.

A. Discussion Regarding Parkland's Potential Opportunity for the Disposal of Property and Potential Acquisition of Property *Tex Gov't Code §§551.072*

B. Update and Report Regarding Opioid Settlement Distributions *Tex Govt Code §§551.071*

C. Update and Report Regarding Parkland's Cybersecurity Ongoing Initiatives *Tex. Gov't Code § 418.183(f).*

D. Update Regarding Status of Legal Affairs Department and Organizational Risk Issues *Tex Govt Code §§551.071*

E. Performance Appraisal Discussion: CEO and Board Dual Reports (Chief Legal Officer and Chief Audit Officer) *Tex Govt Code §§551.074*

Chair adjourned Executive Session and moved into Open Session at 6:22 pm.

Marjorie Petty asked for a motion of approval regarding the Opioid Settlement with the pharmacy outlined in executive session under the described terms to authorize the CEO in consultation with the Chief Legal Officer to fill out and execute all necessary documents to effectuate the settlement. Todd Furniss, motioned to approve the motion. Lisa Sutter seconded the motion. The motion passed unanimously.

IX. Adjourn

With no further business to discuss, the Chair adjourned the meeting at 6:22 p.m.

SO RECORDED:

Marjorie D Petty
Marjorie D Petty (Jan 5, 2025 19:06 CST)

Marjorie D. Petty, JD
Chair

Steven J Roth
Steven J Roth (Jan 3, 2025 15:48 CST)

Steven Roth, JD, MPH
Assistant Secretary

Appendix A (Contracts Reviewed for Appropiate Action)

Item	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 20, 2024												
Medical Products and Services												
M1	Capital	Maldi Biotyper Sirius CA-System	Beckman Coulter, Inc.	Last Signature – 1/5/2026	$234,000	$234,000	GPO Purchase	Yes	Bernie Buenvenida, Clinical Engineering	0%	N/A	N/A
M2	Expense	Total Joint Products and Accessories	b-ONE Ortho Corp.	Last Signature – 5 Years	$480,000	$480,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Main OR	0%	N/A	N/A
M3	Expense	Suprathel Biologic and Biosynthetic Wound Dressings	Polymedics Innovations	Last Signature – 5 Years	$250,000	$250,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Burn Service	0%	N/A	N/A
Hospital Operations												
O1	Expense	Mod # 5 Add funding and extend current agreement through November 30, 2025	Premier Radiology Services, LLC	8/1/2020 - 11/30/2025	$800,000	$1,900,415	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tina Hill, Crystal Harrison, Shawn Grady, Correctional Health and Radiology	0%	N/A	N/A
Deviation/Ratification/Informational Only												
D1	Revenue, Court Approval-Approved Deviation	Late modifications related lease renewal negotiations with Tenant/Mommie's in Need (Annie's Place)	Mommies in Need, Inc.	11/2/2020 - No Expiration	$0	$0	Sole Source Modification	N/A-Revenue	Beall Carothers, Planning Design & Construction	0%	N/A	N/A