Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, February 25th, 2025, scheduled for 11:00 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 11:00 a.m. Committee members Byron Cryer, MD, Eric G Bind, PhD, and Lisa Sutter attended in-person.

Board Member attendees included: Vincent Hall

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

Amy LaBarge, Interim SVP Internal Audit
Brett Moran, Chief Health Officer
Donna Richardson, EVP & CNE
Edmundo Castaneda, EVP & COO
Felicia Miller, EVP & Chief Talent Officer
Fred Cerise, President & Chief Executive Officer
Guy Toliver, Dir. Inclusion-Supply Diversity
James Orrison, Administrative Resident
Jessica Hernandez, SVP & Chief Health Equity Officer
Keri Disney-Story, VP/Clinical Finance
Lane Mendiola, VP Construction Facilities Real Estate
Morgan Simmons, Governance Program Coordinator
Melanie Roberts, SVP/Chief Compliance & Ethics Officer
Pam Bryant, SVP Chief Supply Chain Officer
Rick Humphrey, EVP & Chief Financial Officer
Saul Cordero, SVP & Chief Governance & Strategy Officer
Steven Roth, EVP & Chief Legal 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. Consideration and Appropriate Action Regarding 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). Pam Bryant presented each contract based on expense, capital, revenue, and selection method (sole source and non-sole source).

The Committee asked questions and received additional information related to the consideration of the contracts over $200,000.

Ramon Miguez asked for a motion to approve contracts over $200,000. Byron Cryer motioned for approval. Eric Bing seconded. The motion carried unanimously.

B. Consideration and Appropriate Action Regarding Capital Substitutions

Rick Humphrey reviewed the briefing documents for Capital Substitutions. Rick mentioned the first substitution is related to Information Technology that was budgeted for in the FY24 budget, and this is a request for Cerner replacement medical device interfaces. The substitution will total to $163,116 to resolve the project modifications. The next substitution is regarding laboratory services ordering a slide stainer in anatomic pathology which allows for a better visualization of cellular structures under a microscope. This substitution totals to $241,120.

Ramon Miguez asked for a motion to approve the capital substitutions. Byron Cryer motioned for approval. Lisa Sutter seconded. The motion carried unanimously.

C. Update and Report Parkland Financial Performance Presentation

For the month of January, Parkland Health recognized a net income of $21.0M which is $14.3M higher than the budgeted net income of $6.7M and $8.3M favorable compared to the prior year net income of $12.7M.

Parkland Health's operating margin and operating cash flow margin for the month of January are 4.2% and 7.2%, respectively. The operating margin was favorable compared to budget of (0.4%) and the operating cash flow margin is favorable compared to budget of 2.9%. Parkland Health's operating margin is favorable compared to prior year operating margin of 2.2% and favorable to the operating cash flow margin of 5.4% from the prior year.

Parkland Health's patient cash collections in January were $130.1M which is higher than budget by $43.0M and $34.0M above the prior year. Parkland Health's days cash on hand of 234.3 days for the month is an increase of 38.0 days compared to prior month of 196.3 days and compared to the prior year January of 204.1 days, an increase of 30.2 days.

Rick discussed the income statement for January 2025 which does not include the nursing homes, the Parkland Health Plan nor the Parkland Foundation. The hospital experienced a significant increase in net patient revenue for January due to improved payer mix and

supplemental payments from government programs. The operating income for January was $11 million, and the total income was $21 million. Year-to-date, the operating income is $17 million, which is $15 million favorable to the budget. The hospital had a substantial inflow of cash from government programs and property taxes in January, resulting in a total cash balance of $1.8 billion. For the month of January, Parkland has a strong days cash on hand position witting at just about 230 days. The hospital had 13,100 full-time equivalent employees (FTEs) in January, which was favorable to the budget. The average length of stay for patients was 5.7 days, which is better than the budgeted 5.86 days. The hospital also saw an increase in surgeries and outpatient visits compared to the prior year.

VI. Follow-Up Requests

VII. Closing Remarks

VIII. **Adjourn**

With no further business to discuss, Committee Chair Ramon Miguez, PE, adjourned the meeting at 12:36 pm.

SO RECORDED:

Ramon F. Miguez (Mar 21, 2025 13:20 CDT)

Ramon Miguez, PE
Committee Chair

Steven Roth (Mar 28, 2025 16:56 CDT)

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
February 26, 2025												
Medical Products and Services												
M1	Expense	Mod # 1 Professional Services (Geriatric Primary Care, Pathways Forward and Recuperative Care Programs)	Joseph F. Benenate, D.O.	3/13/2020 - 3/12/2026	$44,800	$200,400	Contract Extension without Competition	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Lisa Cross / Kathleen Larry, Post-Acute Service	N/A	N/A	N/A
Construction and Facilities												
C1	Capital	Venue Go R5 Ultrasounds	GE Healthcare	Last Signature – 3/5/2026	$451,496	$451,496	GPO Purchase	Yes	Patrick Eaton, Clinical Engineering	N/A	N/A	N/A
C2	Capital	Laser System - Nexmer	Philips Healthcare	Last Signature – 3/6/2026	$240,000	$240,000	GPO Purchase	Yes	Shiba Shakelli, Clinical Engineering	N/A	N/A	N/A
Information Technology												
IT1	Expense	Mod # 1 Revuud IT Consultant	Revuud Inc	12/1/2024 - 12/5/2025	$125,580	$270,480	Sole Source Modification	Yes	Cynthia Hamilton and LeMar Dieson	0%	N/A	N/A
Hospital Operations												
O1	Revenue	Mod # 1 Funding Request Sushi Revenue Contract	Advanced Fresh Concepts	7/1/2023 - 6/30/2026	($701,000)	($900,000)	Non-Sole Source Modification	N/A-Revenue	Eric Walker, Nutrition Services	N/A	N/A	N/A
O2	Revenue	Administrative Services (FCCI)	Parkland Center for Clinical Innovation	3/1/2025 – 2/29/2028	($1,328,304)	($1,328,304)	Contract with Affiliate	N/A-Revenue	Richard Humphrey, Finance	0%	N/A	N/A
Ratification/Deviation/Informational Only												
R1	Expense-Ratification	Child Care Services	Mommies in Need, Inc. dba Annie's Place	12/23/2024 – 1/24/2025	$312,545	$312,545	Sole Source	Expense-Ratification	Miranda Bond, Office of Talent Management	100%	Caucasian	Female
R2	Expense-Ratification	Mod # 5 Human tissue specimen	UT Southwestern Medical Center	1/1/2015 - 1/1/2025	$1,285,428	$25,417,354	N/A, no modification. Contract was replaced and let intentionally expire	Yes	Cheston Chan, Peri-Op Department	N/A	N/A	N/A
D1	Capital-Approved Deviation	Mod # 2 Psych Intake Expansion	Falkenberg Construction Co., Inc	2/29/2024 - 4/30/2025	$188,292	$841,303	Non-Sole Source Modification	Yes	Cynthia Harrington, Planning Design and Construction	86.11%	See Chart	See Chart

Parkland Health
FY2025 Capital Substitution
For February 2025 Board Meeting

Ref #	Division	Project Total	Substitution Amount	Description
1	Information Technology	$2,812,780	$168,116	**Cerner Equipment Replacement**
	Explanation	This request is for Cerner equipment replacement for medical device interfaces. The current platform has been discontinued by the manufacturer and is no longer supported, leading to the unavailability of replacement parts/interfaces for new patient monitoring systems, which are intended to integrate with EPIC. This equipment will automate the transfer of patient vitals from medical instruments directly into Epic, without the need for human data entry and intervention. This hardware reduces errors and liability. This initiative is part of the ongoing maintenance of the current equipment, which is now in its ninth year.		
	Driver(s) of Increased Expense:	Increase in price since the original quote was received		
	Description of Item:	Hardware replacement		
2	Laboratory Services	$241,120	$241,120	**Slide Stainers (2)**
	Explanation	A "slide stainer" in anatomic pathology is a specialized automated machine used to stain tissue samples, which are mounted on microscope slides. This allows for better visualization of cellular structures under a microscope by a pathologist. Both slide stainers to be replaced were approved and funded for replacement in a prior fiscal year, but the equipment that was purchased did not pass validation testing. Multiple attempts were made with the vendor to resolve the testing/validation issues but the issues couldn't be resolved. Ultimately, the originally purchased equipment had to be returned to the vendor in exchange for alternate, non-slide staining products (slide scanner and cryostat), which were needed as well.		
	Driver(s) of Increased Expense:	Return of previously approved/purchased slide stainers for alternate products		
	Description of Item:	Slide stainers		
	Grand Total	**$3,053,850**	**$404,236**	