Minutes of the Audit Committee meeting of the Board of Managers of the Dallas County Hospital District, held Wednesday, April 16th, 2025, scheduled for 10:00 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 Todd Furniss, JD, noted that a quorum was physically present and called the meeting to order at 10:02 a.m. Committee members Vincent Hall; Ramon Miguez, PE, and Elizabeth Palacios, MD, attended in-person.

Board Member attendees included: Marjorie Petty, JD, and Yasmin Simon, JD

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

Amy LaBarge, SVP & Chief Audit Officer
Andrea Claire, Mgr., Internal Audit
DeLancey Johnson, SVP & Associate Chief Talent Officer
Edmundo Castaneda, EVP & COO
Enrique Gallegos, SVP Operations & Associate COO
Fred Cerise, President & Chief Executive Officer
Jessica Hernandez, SVP Chief Health Equity Officer
Joe Longo, SVP/Chief Information Officer
John Wilson, Director/PDC
Keri Disney-Story, VP/Clinical Finance
Kellee Boardingham, Executive Assistant, Board of Managers
Melanie Roberts, SVP & Chief Compliance & Ethics Officer
Morgan Simmons, Board Governance Program Coordinator
Steven Roth, EVP Chief Legal Officer
Richard Humphrey, EVP & CFO

II. Mission Statement

The 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. Audit Committee Key Takeaways

Amy LaBarge presented Key Takeaways for April 2025. Amy mentioned there are no current changes or updates requested for the Audit Plan status. Role-based access will need updated governance structures and ownership to establish and monitor policies moving forward. Under the Cigna Audit Plan, reviews of pharmacy out-of-pocket maximums are needed for alignment with the plan's intentions. The construction process will require improvements to ensure timely payments to contractors.

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

A. Open Session Summary to discuss the following topics:

i. Fiscal Year 2025 Audit Plan Progress
Amy LaBarge presented the FY25 Audit Plan Progress through April and mentioned that about half of the plans are in progress. Amy reviewed the Audits, which overlap from 2024, annual audits, affiliate audits, and projects on the horizon for internal audit.

ii. Role-Based Access Audit, Report No. 24-09

Presentation regarding appropriate, minimum necessary access to EPIC and hospital locations.
Amy presented the role-based access audit, which demonstrated that while some controls exist and work effectively, there were opportunities for improvement in access control governance for Epic roles, Epic access management for transferred employees, and badge access.
The reason for this audit was to review access for employees and Persons of Interest to ensure authorized individuals have the necessary access for their roles while identifying any unauthorized or excessive access that could pose security risks. Amy mentioned the automated process now works well with access trails and logs that allow the owner to track access.

iii. Cigna Audit, Report No. 24-13
Presentation regarding the accurate, timely settlement of employee medical and pharmacy Claims
Amy presented on the Cigna Audit, which relates to the overall settlement of employee health claims in accordance with the purpose and benefits contained in Parkland's Employee Health Summary; however, a few inconsistencies in the application of coverage criteria and incorrect plan parameters allow for certain errors. Internal Audit Services performed a claims review of the Employee Health plan as part of the annual audit plan. The results showed the pharmacy out-of-pocket maximum threshold for the open access plan is incorrect in the Cigna claim

system, along with medical payments not being settled in accordance with Parkland's benefit plan. Amy mentioned there will be further investigation and meetings held to ensure the errors do not continue.

iv. Construction Project Review, Report No. 25-02
Presentation regarding accurate, timely billing and payment for the hospital demolition project.
Amy presented the construction project review audit, which specified that the control of the environment is functioning as intended for the former Parkland campus demolition. Still, improvements are needed to ensure that timely payments and appropriate collection of lien waivers are followed. This audit was performed to determine whether processes support the accuracy of payment applications, change orders, and adherence to contract terms.
Amy mentioned that the recommendation is to implement a control to monitor the internal audit system timeframes and consider lien waivers for all subcontractors to protect Parkland against potential claims.

The Board asked questions and further deliberated on the construction project review audit.

v. Follow-Up Report Status – Open Session
Update on corrective action plans for audits presented in the prior open session Audit Committee meeting
Amy mentioned there were nine closed issues, which resulted in closing out one audit. Three action due date change requests were received. Amy reiterated that the closed audit was regarding talent acquisition. There are still open audits regarding patient property, vehicles, and patient scheduling.

vi. Assurance Organization Survey
Discussion regarding a survey to assess gaps or overlaps to refine the scope of Parkland's assurance functions.

VII. Executive Session

At 10:21 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.

A. Executive Session Summary to discuss the following topics:
Tex. Health & Safety Code §§161.032 & 161.0315 and *Tex. Occ. Code* §160.007.

i. Follow-up Report Status – Executive Session
Update on corrective action plans for audits presented in prior executive session
Audit
Committee meetings

ii. Requested Update on Plans for UT Audits – Executive Session

B. Discussion regarding report and/or information provided by the Chief Audit Executive and related items on this agenda.
Tex. Health & Safety Code §§161.032 & 161.0315 and *Tex. Occ. Code* §160.007.

C. Consultation with Attorney.
Tex Gov't Code § 551.071.

i. Review Open Litigation, Claims, and Settlements.
(See attached list)

ii. Update on Legal Issues Related to Contract Labor

Chair adjourned Executive Session and moved into Open Session at 10:46 am.

The Chair, Todd Furniss, asked for follow-up items from the committee. None were mentioned.

Todd Furniss mentioned his expectations for future audit meetings and reminded management that not all questions asked require a real-time answer. Todd wanted to ensure that leadership makes note that he does not expect real-time answers on every single question that is asked. Todd mentioned his understanding of the volume of work the leadership team does on a day-to-day basis to further his point and thank the Chiefs for all their hard work.

VIII. Action Items

A. Committee may take action on any agenda item(s) above.

IX. Adjourn

With no further business to discuss, the Committee Chair entertained a motion to adjourn the meeting at 10:55 a.m.

SO RECORDED:

Todd Furniss
Todd Furniss (Jun 6, 2025 09:45 CDT)

Todd Furniss, JD
Committee Chair

Steven Roth (Jun 16, 2025 17:46 CDT)

Steven Roth, JD, MPH
Assistant Secretary

Active Litigation Matters, April 2025:

Construction Cleaning, Inc. v. Dallas County Hospital District, Cause No. CC-24-02035-C, In the County Court at Law No. 4, Dallas County, Texas

DCHD v. Morgan McAnelly, et.al., Cause No. DC-22-02879, In the 44th District Court, Dallas County, Texas. On appeal to the 5th Court of Appeals, Dallas, Texas, Cause No. 05-23-01295-CV

Dallas County Hospital District v. Goldwire, et. al., Cause No. DC-23-01996, In the 68th District Court, Dallas County, Texas

Dallas County Hospital District v. Haley Burr, et. al., Cause No. DC-23-20781, In the 101st District Court, Dallas County, Texas

Paul Aaron French a.k.a. Michael Vega v. Dallas County, et al., Cause No. 3:22-CV-02702-E, In the US District Court, Northern District of Texas, Dallas Division

Shamond Lewis v. Dallas County, et al., Cause No. 3:23-CV-00381-D, In the US District Court, Northern District of Texas, Dallas Division

Oludele Oladoja v. Dr. Zia Rehman, Cause No. 3:24-CV-02709-K-BN, In the US District Court, Northern District of Texas, Dallas Division

Dallas County Hospital District v. BARA, a Joint Venture, Cause No. DC-24-01577, In the 192nd District Court, Dallas County, Texas

Angelica Reyna v. Parkland Health & Hospital System, Cause No. CC-24-08766-C, In the County Court at Law No. 3, Dallas County, Texas

Brandon Norwood v. Dallas County Hospital District, Cause No. 3:23-CV-01490-S, In the US District Court, Northern District of Texas

Alvah Johnson, Michael Pierce and Theodore Bramble v. Dallas County Hospital District, Cause No. 3:23-CV-01574-N, In the US District Court, Northern District of Texas

Edrise Newton v. Dallas County Hospital District d/b/a Parkland Health & Hospital District, Cause No. 3:24-CV-3008, In the US District Court, Northern District of Texas, Dallas Division

Mitzi Errett v. Parkland Health and Hospital System, Cause No. CC-22-05572-A, In the County Court at Law No. 1, Dallas County, Texas

Kiana Johnson v. Dallas County Hospital District, Cause No. CC-24-01307-B, In the County Court at Law No. 2, Dallas County, Texas

Michelle Cummings v. Dallas County Hospital District, DC-24-06306, In the 14th District Court, Dallas County, Texas

Giovonni Shelton v. Parkland Health, Cause No. 3:24-CV-2190, In the US District Court, Northern District of Texas, Dallas Division

Patricia Erving v. Parkland Hospital, et al., Cause No. DC-24-21415, In the 162nd District Court, Dallas County, Texas

Shadai Turner v. Parkland Hospital, Cause No. DC-24-18147, In the 68th District Court, Dallas County, Texas

Sir Gregory P. Jackson v. Parkland Memorial Hospital, Cause No. DC24-19670, In the 14th District Court, Dallas County, Texas

Leticia Moreno, Individually and as Representative of the Estate of Juan Valenzuela, Deceased, and as Next Friend of D.V.M., vs. Dallas County Hospital District d/b/a Parkland Health and The University of Texas Southwestern Medical Center, Cause No. DC-24-21234, In the 116th District Court, Dallas County, Texas