Minutes of the Budget & Finance Committee meeting of the Dallas County Hospital District, held Tuesday, June 17th , 2025, scheduled for 11:30 AM in the WISH 02-175 Executive Conference Room 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 11:32 a.m. Committee members Vincent Hall, and Yasmin Simon, JD, attended in person, and Lisa Sutter attended via Webex.

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

Anika Dachiraju, Governance Summer Intern
Anthony Davis, Dir., Financial Operations
Edmundo Castaneda, EVP & COO
Fred Cerise, President & Chief Executive Officer
Gerry Baker, SVP Revenue Cycle
Guy Toliver, Dir., Inclusion-Supply Diversity
Keri Disney-Story, VP/Clinical Finance
Melanie Roberts, SVP & Chief Compliance/Ethics Officer
Michelle Ng, Administrative Resident
Morgan Simmons, Governance Program Coordinator
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

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 reviewing the agenda, the Chair noted that the board members present had zero conflicts of interest.

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 for 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 contracts over $200,000.

Yasmin Simon noted a potential conflict of interest regarding contract M7 regarding Philips IntraSight 7. Yasmin abstained from the vote on contract M7.

Ramon Miguez asked for a motion to approve contracts over $200,000. Vincent Hall motioned for approval. Ramon Miguez seconded. The motion carried unanimously.

A. Consideration and appropriate Action Regarding Capital Substitutions

Richard Humphrey reviewed the Capital Substitutions. The first substitution request is to add one net new ultrasound machine for the Main OR due downtime of the current systems and multiple surgical service lines requiring simultaneous access to the devices. There are currently three existing units, which are periodically removed from service due to missing buttons, glitching images, and malfunctioning probe inserts. Because parts are not available for purchase, the units are sent to an outside vendor for repair, which has a four-to-six-week turnaround time for repair. Parkland is faced with either operating in a less safe manner or deferring surgical cases when the units are not available. These ultrasound machines are used for real time/interactive imaging during complex surgeries and widely used in multiple specialties, such as surgical oncology, breast oncology, urology, and neurosurgery. The second capital substitution is for the replacement of the boiler condensate return system in Linen Services. The condensate return system recovers and returns hot condensate from steam-using equipment back to the boiler, which maximizes energy savings and reduces costs. The annual average fuel savings from recovering and returning condensate to a boiler can range from 10% to 30%. The existing system, which was installed in 1989, has completely failed and cannot be repaired. Additionally, the lack of a functioning condensate return system has the potential to damage the boilers and components, which will result in extensive repair or replacement of the boilers. If the boilers are not operating, Linen Services will not be able to wash linens, which would need to be sent to a third party to process at a significantly higher cost.

Ramon Miguez asked for a motion to approve the Capital Substitutions. Vincent Hall motioned for approval. Yasmin Simon seconded. The motion carried unanimously.

B. Reports Requiring Deliberation(s) or Approval(s) Cont.

A. Update and Review Regarding Parkland Health FY26 Budget Assumptions
Keri Disney-Story reviewed the FY2026 Budget Overview and Assumptions. Keri discussed revenue comparisons that are expected to change significantly such as net patient revenue, tax revenues and FEMA funds. Revenue projections indicate moderate growth, driven by a potential $2 billion increase in the state chart pool, which, while not yet approved, is under active review by CMS. This increase is expected to significantly enhance hospital reimbursements. TIPS payments and other supplemental pools are also projected to contribute to revenue growth. A 5% increase in tax revenue is proposed, maintaining the current rate, justified by rising service demands and inflationary pressures. FEMA reimbursements, though minor, may yield up to $1.5 million. On the expense side, salary adjustments include a 1.7% market correction and a 3% merit increase, with benefits rising by 2.8%. Supply costs are stabilizing, though some categories remain volatile due to tariffs and import dependencies. Operationally, inpatient volumes are expected to dip slightly due to reclassification to observation status, while outpatient and urgent care visits remain flat due to capacity constraints. A 4.4% increase in deliveries is forecasted based on prenatal care trends. Keri emphasized the importance of maintaining tax levels to avoid long-term revenue loss and noted ongoing risks such as potential federal policy changes around site-neutral payments. Final budget figures and projections will be presented in the upcoming board meetings.

B. Update and Report Parkland Financial Performance Presentation
For the month of May, Parkland Health recognized a net income of $8.4M which is $0.8M higher than the budgeted net income of $7.6M and $6.9M unfavorable compared to the prior year's net income of $15.3M. Parkland Health's operating margin and operating cash flow margin for the month of May are 1.3% and 4.3%, respectively. The operating margin was favorable compared to budget of (0.04%) and the operating cash flow margin is favorable compared to budget of 3.3%. Parkland Health's operating margin is favorable compared to prior year operating margin of 0.7% and favorable to the operating cash flow margin of 4.0% from the prior year. Parkland Health's patient cash collections in May were $112.8M which is higher than budget by $0.2M and $5.9M higher than the prior year. Parkland Health's days cash on hand of 247.3 days for the month is an increase of 2 days compared to the prior month of 245.3 days and compared to the prior May of 216.5 days, an increase of 30.9 days.

Rick mentioned the strong cash position for the month of May, primarily due to non-operating revenue, which is nearly $7 million, being unrealized due to interest rates. Rick mentioned the favorable supply expenses and net patient revenue driven by a supplemental program called CHIRP (a Medicaid managed care contract) that Parkland received. Rick noted that as the market interest rates decline, the value of our pool goes up slightly for our bond portfolio. Parkland's net revenue of around $100 million was supported by very strong cash received (cash postings) in the month of March and into

April. Rick reviewed some of the key statistics for the month of May. Generally, May this year is similar compared to 2024. The length of stay has slightly increased due to case-mix this month.

A. Follow-Up Requests

B. Closing Remarks

C. **Adjourn**

With no further business to discuss, Committee Chair Ramon Miguez, PE, adjourned the meeting at 1:04 pm.

SO RECORDED:

RFMA
RFMA (Jul 29, 2025 14:57:56 CDT)

Ramon Miguez, PE
Committee Chair

Steven Roth
Steven Roth (Aug 2, 2025 11:08:06 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
												June 18, 2025
					Medical Products and Services							
M1	Expense	Mod # 1 MatriDerm Products	Access Pro Medical	7/6/2023 - 7/5/2026	$300,000	$700,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	David Alexander / Perioperative Services	N/A	N/A	N/A
M2	Expense	Mod # 1 Unilateral extension funding for blood bank reagents contract	Werfen	9/17/2021 - 9/16/2026	$155,000	$1,503,999	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Scott Hampton / Transfusion Services	N/A	N/A	N/A
M3	Capital	Mod # 4 Benchmark Ultra Plus System	Roche Diagnostics Corporation	11/29/2021 - 6/19/2030	$241,120	$741,162	Sole Source Modification	Yes	Sara Blacketer / Anatomic Pathology	N/A	N/A	N/A
M4	Expense	Epic Boost - General Project Coordination	Epic	6/19/2025 – 12/18/2025	$240,300	$240,300	Sole Source	Yes	Gerry Baker / Revenue Cycle, Finance Administration	N/A	N/A	N/A
M5	Expense	Eligibility Services Secondary Review	Elevate Patient Financial Solutions, LLC	7/1/2025 – 6/30/2030	$1,000,000	$1,000,000	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Gerry Baker / Patient Financial Services	0%	N/A	N/A
M6	Capital	Carestation 750 Anesthesia Systems	Datex-Ohmeda, Inc. a GE Healthcare business	Last Signature – 6/27/2026	$323,769	$323,769	GPO Purchase	Yes	Shika Shakelli / Clinical Engineering	0%	N/A	N/A
M7	Capital	Philips IntraSight 7 IVUS systems (2 ea)	Philips Healthcare	Last Signature – 6/27/2026	$338,750	$338,750	GPO Purchase	Yes	Patrick Eaton / Clinical Engineering	0%	N/A	N/A

Construction and Facilities												
C1	Capital	Mod # 1 Garland COPC Renovations	CMC Development & Construction Corp.	12/20/2024 - 12/31/2025	$280,000	$780,000	Non-Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Asma Momin / Planning, Design and Construction	83.23%	Male	Black or African American
C2	Capital	GE Definium radiographic rooms	GE Precision Healthcare LLC	Last Signature – 6/27/2026	$544,106	$544,106	GPO Purchase	Yes	Patrick Eaton / Clinical Engineering	0%	N/A	N/A
Information Technology												
IT1	Expense	Mod # 1 Adding Licenses for GEM Hemochron Interface	Abbott Rapid Diagnostic Informatics, Inc.	1/1/2024 - 12/31/2028	$48,922	$886,773	Sole Source Modification	Yes	Peng Lee / Information Technology	N/A	N/A	N/A
IT2	Expense	Mod # 1 AiDoc AI Detection Modules	AiDoc, Inc.	11/1/2021 - 10/31/2027	$606,571	$2,133,483	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets	Greggory Ervin / Information Technology	0%	N/A	N/A
IT3	Revenue: Court Approval	Mod # 4 DCHHS Umbrella Agreement Amendment 2	Dallas County Health and Human Services	10/26/2020 - 9/30/2028	(1,500,000)	($6,895,029)	Sole Source	N/A-Revenue	Cynthia Hamilton and LeMar Oleson / Information Technology	N/A	N/A	N/A
IT4	Expense	Cisco Enterprise Agreement Co-Term SaaS Licenses, Maintenance and Support	Netsync Network Solutions, Inc.	6/30/2025 – 6/29/2030	$18,471,382	$18,471,382	TXMAS or DIR Purchase	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets	Darren Jones / Jeff DeFord / Information Technology	100%	Female	Hispanic
IT5	Expense	Mod # 1 Revuud Epic Analyst Ambulatory/ Kaleidoscope IT Consultants	Revuud Inc	2/17/2025 - 2/16/2026	$236,000	$463,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets	Cynthia Hamilton and LeMar Oleson / Information Technology	N/A	N/A	N/A
IT6	Expense	Mod # 6 Testing Solution for Messenger	Spok, Inc.	8/1/2010 - 9/24/2029	$33,252	$2,743,396	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets	Prentis Wright / Information Technology	N/A	N/A	N/A
Hospital Operations												
O1	Expense	Employee Shuttle Services	Cornerstone Parking	7/1/2025 – 6/30/2030	$10,548,365	$10,548,365	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets	Kristi Tillery / Police Department	0%	N/A	N/A

Parkland Health
FY2025 Capital Substitution
For June 2025 Board Meeting

Ref #	Division	Project Total	Substitution Amount	Description
1	Surgical Services	$247,000	$247,000	**BK Medical bKActiv Ultrasound**
	Explanation	This request is to add one net new ultrasound machine for the Main OR due downtime of the current systems and multiple surgical service lines requiring simultaneous access to the devices. There are currently three existing units, which are periodically removed from service due to missing buttons, glitching images, and malfunctioning probe inserts. Because parts are not available for purchase, the units are sent to an outside vendor for repair, which has a four to six week turnaround time for repair. Parkland is faced with either operating in a less safe manner or deferring surgical cases when the units are not available. These ultrasound machines are used for real time/interactive imaging during complex surgeries and widely used in multiple specialties, such as surgical oncology, breast oncology, urology, and neurosurgery.		
	Driver(s) of Increased Expense:	Downtime for existing units; multiple service lines requiring access to the devices		
	Description of Item:	High-performance ultrasound imaging system		
2	Facilities	$111,859	$111,859	**Boiler Condensate Return System**
	Explanation	This request is for the replacement of the boiler condensate return system in Linen Services. The condensate return system recovers and returns the hot condensate from steam-using equipment back to the boiler, which maximizes energy savings and reduces costs. The annual average fuel savings from recovering and returning condensate to a boiler can range from 10% to 30%. The existing system, which was installed in 1989, has completely failed and cannot be repaired. Additionally, the lack of a functioning condensate return system has the potential to damage the boilers and components, which will result in extensive repair or replacement of the boilers. If the boilers are not operating, Linen Services will not be able to wash linens, which would need to be sent to a third party to process at a significantly higher cost.		
	Driver(s) of Increased Expense:	Inoperable system		
	Description of Item:	System that collects and returns condensate back to the boiler for reuse as feedwater		
	Grand Total	**$358,859**	**$358,859**	