Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, June 28, 2022, 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 11:31 a.m. Committee members Eric G. Bing, MD, PhD, and Lisa Sutter were present. Committee member Don O'Bannon, Esq, attended via Webex.

Board Member attendees included: Marjorie Petty, JD, via Webex.

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

April Audain, VP UT Contracts Admin
Donna Richardson, EVP & Chief Nursing Executive
Edmundo Castañeda, EVP & Chief Operating Officer
Felicia Miller, EVP & Chief Talent Officer
Forrest Stovall, Governance Program Coordinator (in-person)
Fred Cerise, President & Chief Executive Officer (in-person)
Guy Toliver, Director Inclusion-Supply Diversity
James Balfour, Sr. Associate General Counsel (in-person)
Jared Ginter, VP Institutional Risk Management
Joe Longo, SVP & Chief Information Officer
Joe Mayer, Treasury Director
John Raish, SVP Support Services
Keri Disney-Story, VP Clinical Finance
Mike Malaise, SVP Communications/External Affairs
Pam Bryant, SVP Chief Supply Chain Officer (in-person)
Rick Humphrey, EVP & Chief Financial Officer (in-person)
Roberto de la Cruz, EVP & Chief Clinical Officer
Saul Cordero, VP & Chief Governance Officer (in-person)
Steven Roth, EVP & General Counsel (in-person)
Tabitha Lee, VP Finance/Controller
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

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 provided a brief overview of each contract and highlighted the MWBE participation. Many of the contracts this month do not have the option of MWBE participation due to the nature of the contract. Next, Pam reviewed the sole-source contracts.

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

Lisa Sutter motioned for the approval of Contracts over $200,000. Eric Bing, MD, PhD, seconded the motion. The motion passed unanimously.

B. Approve Capital Substitutions

Rick Humphrey presented two Capital Substitutions for approval to the Committee:

- Purchase of a second Hologic Panther Instrument for $303,700
- Conversion of 18 beds on level 15 for $697,800

Lisa Sutter motioned for the approval of Capital Substitutions. Eric Bing, MD, PhD, seconded the motion. The motion passed unanimously.

C. Discuss Contracts Approval Policy

Pam Bryant reviewed the Contracts Approval Policy with the Committee.

Committee members asked questions and received further information related to GPO Spend in the policy.

The Committee asked questions and received further information related to the contract approval process outlined in the policy.

The Committee Chair requested further review and consideration of the following prior to the next committee meeting:

1. Bringing GPO Approvals for approval rather than exempting them
2. A formal delegation to Budget & Finance should the Board want to continue delegating to the Committee
3. A formal decision made to Recommend Approval to the Board of Managers should the Board not want to continue delegating to the Committee

D. Parkland Financial Performance Presentation

Rick Humphrey reviewed the financial results for May 2022 and discussed significant performance variances.

For the month of May, Parkland Health & Hospital System (Parkland) recognized a net loss of (4.4M) which is ($14.6M) unfavorable to the budgeted net income of $10.2M and an unfavorable change of ($8.4M) compared to the prior year net income of $4.0M. Parkland's operating margin and operating cash flow margin for the month of May are (3.5%) and 0.4%, respectively. The operating margin is unfavorable compared to budget of 4.4% and the operating cash flow margin is also unfavorable compared to budget of 8.3%. Parkland's operating margin is unfavorable compared to the prior year operating margin of 1.5% and unfavorable to the operating cash flow margin of 5.6% from the prior year.

Parkland's patient cash collections in May were $73.7M which is below budget by ($2.3M) and ($4.7M) lower than the prior year. Parkland's days cash on hand of 200 days for the month is a decrease of 23 days compared to prior month of 223 days and greater compared to the prior year May of 196 days an increase of 4 days.

Rick Humphrey reviewed the income statement for June 2022 noting the variances to budget. Salaries and Benefits is $11.2 million higher than budget for the month of June and the cost associated with pharmaceutical drugs for cancer patients continues to increase. Rick also reviewed the recent change in interest rates and the potential impact on the investment portfolio.

The Committee asked questions and received further information related to the Financial Performance Presentation.

The Committee asked questions and received further information related to increase expense for contract labor and pharmaceutical drugs.

Lastly, Rick reviewed the Key Metrics for the system. Total ER Visits, Ambulatory Visits, and Surgeries are over FY22 budget. However, deliveries and patient cash collections are below FY22 budget.

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

VI. Executive Session

At 12:48 p.m., the Committee went into Executive Session as permitted by the closed meeting exceptions specified on the agenda.

A. Discussion of Master Service Agreement for Physician Services FY22 Contract Update

Members of management in executive session attendance included:

April Audain, Donna Richardson, Edmundo Castañeda, Felicia Miller, Forrest Stovall, Fred Cerise, Keri Disney-Story, Melanie Roberts, Mike Malaise, Pam Bryant, Rick Humphrey, Roberto de la Cruz, Saul Cordero, Steve Roth, and Vic Summers

The Committee reviewed information regarding the agenda items presented by management and asked additional questions and received answers.

At 1:01 p.m., the Committee moved into Open Session.

VII. Adjourn

With no further business to discuss, the Committee Chair adjourned the meeting at 1:03 p.m.

SO RECORDED:

RFMA
RFMA (Aug 2, 2022 11:55 CDT)

Ramon Miguez, PE
Committee Chair

Steven J Roth
Steven J Roth (Aug 2, 2022 16:37 CDT)

Steve Roth, JD, MPH
Assistant Secretary

Appendix A (Contracts Reviewed for Approval)

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 28, 2022
NON-SOLE SOURCE CONTRACTS - Sorted by Size												
N1	Expense	Enhanced employee shuttle bus service	Cornerstone Parking Group	7/1/2022 - 6/30/2025	$5,989,563	$5,989,563	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
N2	Expense	Pressure Washing Services	Debbie & Sons Pressure Washing Services	7/1/2022 - 6/30/2027	$1,388,415	$1,388,415	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Eric Walker, Environmental Services	0%	N/A	N/A
N3	Expense	Mod #6 Group Purchasing Organization One Year Extension with One Year Renewal Option	Vizient, Inc.	7/1/2017 - 6/30/2023	$1,356,473	$19,220,410	Non-Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Pamela Bryant, Supply Chain/Contracts	0%	N/A	N/A
N4	Expense	Reimbursement Agreement for Resident Stipends (Expense)	Children's Health Clinical Operations	7/1/2022 - 6/30/2023	$1,250,000	$1,250,000	N/A	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Elizabeth Ponce, Graduate Medical Education	0%	N/A	N/A
N5	Capital	Sonopet iQ Ultrasonic Aspirator Console and Options	Stryker Instruments	Last Signature - 1 Year	$464,950	$464,950	GPO Purchase	Yes	John Raish, Clinical Engineering	0%	N/A	N/A
N6	Expense	Mod #7 Phase III Productivity Consulting	Guidehouse Inc.	6/1/2020 - 9/28/2022	$341,250	$3,043,750	Request for Proposals (Best Value)	Yes	Tabitha Lee, Finance Department	0%	N/A	N/A
N7	Expense	Mod #3 External Audit Services	BKD, LLP	5/1/2017 - 4/30/2023	$197,250	$3,770,750	Non-Sole Source Modification	Yes	April Audain, Finance Administration	0%	N/A	N/A
N8	Revenue	Reimbursement for Resident Stipends	Texas Health Presbyterian Hospital Dallas	7/1/2022 - 6/30/2027	($2,455,000)	($2,455,000)	N/A-Revenue	N/A-Revenue	Elizabeth Ponce, Graduate Medical Education	0%	N/A	N/A
N9	Revenue	Reimbursement Agreement for Resident Stipends	Methodist Hospitals of Dallas	7/1/2022 - 6/30/2027	($2,455,036)	($2,455,036)	N/A-Revenue	N/A-Revenue	Elizabeth Ponce, Graduate Medical Education	0%	N/A	N/A

Appendix A (Continued)

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
N10	Revenue	Reimbursement Agreement for Resident Stipends (Revenue)	Children's Health Clinical Operations	7/1/2022 - 6/30/2023	($5,000,000)	($5,000,000)	N/A-Revenue	N/A-Revenue	Elizabeth Ponce, Graduate Medical Education	0%	N/A	N/A

Appendix A (Continued)

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
SOLE SOURCE CONTRACTS - Sorted by Size												
S1	Expense: Court Approval	Mod #7 Fifth Amendment to Lease	Diversified Empire Center – Dallas, L.P.	9/1/2009 - 8/31/2028	$15,716,369	$32,754,136	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Beall Carothers, Planning Design & Construction	0%	N/A	N/A
S2	Expense	Vanadis NIPT cfDNA System	PerkinElmer	7/1/2022 - 6/30/2027	$8,226,314	$8,226,314	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tim Lenz, Pathology	0%	N/A	N/A
S3	Expense	Master Services and Purchasing Agreement for Enterprise	Axon Enterprise, Inc.	7/1/2022 - 6/30/2032	$2,336,571	$2,336,571	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Marlin Suell, Police Department	0%	N/A	N/A
S4	Expense	TheraSphere Y-90 Glass Microspheres	Boston Scientific Corp.	Last Signature - 3 Years	$1,074,000	$1,074,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Julie Hughes Moreno, Rad Nuclear Medicine	0%	N/A	N/A
S5	Expense: Court Approval	Mod #9 Seventh Amendment to Lease	Riverpark Associates, L.P.	2/1/2007 - 7/31/2024	$616,724	$3,620,954	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Beall Carothers, Planning Design & Construction	0%	N/A	N/A
S6	Expense	Mod #1 Community Partnership Letter of Commitment	Hope Clinic of Garland, Inc.	7/1/2019 - 6/30/2025	$500,000	$1,000,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	James Perez, Community Oriented Primary Care (COPC)	0%	N/A	N/A
S7	Expense	Mod to Add Funds Organ Transplant Services	United Network for Organ Services	7/1/2016 - 6/30/2028	$312,000	$601,000	Sole Source	Yes	Denise Harrington, Transplant Services	0%	N/A	N/A
S8	Expense	LC Beads & Embolic Products	Boston Scientific Corp.	Last Signature - 3 Years	$290,000	$290,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Julie Hughes Moreno, Interventional Radiology	0%	N/A	N/A

Appendix A (Continued)

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
S9	Expense	Bone Anchored ENT Implants	Cochlear Americas	Last Signature - 2 Years	$240,000	$240,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Operating Room	0%	N/A	N/A
S10	Expense	Mod #5 Extend midlevel time studies for 15 Months	BKD, LLP	4/21/2014 - 9/30/2023	$143,400	$474,766	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	James Blasingame, Government Reimbursement	0%	N/A	N/A
S11	Expense	Mod #5 Term Extension Reimbursement Research, Cost Reporting, Appeals	BKD, LLP	7/1/2016 - 9/30/2023	$104,856	$201,718	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	James Blasingame, Government Reimbursement	0%	N/A	N/A
S12	Expense: Court Approval	Mod #3 Amendment to Co-Location Agreement #3	First Presbyterian Church of Dallas	8/1/2012 - 7/31/2032	$0	$0	Sole Source Modification	N/A-Zero Dollar	Beall Carothers, Planning Design & Construction	0%	N/A	N/A
CONTRACTS AWARDED WITHOUT COMPETITION (OTHER) - Sorted by Size												
O1	Capital and Expense	Office Furniture Products, Repairs, and Services	WRG d/b/a Workplace Resource Group	7/1/2022 - 6/30/2027	$4,000,000	$4,000,000	Contract Award without Competition	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Veronica Mendez, Planning Design & Construction	100%	Other	Female
O2	Expense	Mod #5 Extending Jail Nephrology Service	Gates B. Colbert, MD	7/8/2016 - 7/30/2027	$508,850	$1,058,850	Contract Extension without Competition	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tina Hill, Jail Health	0%	N/A	N/A
O3	Capital and Expense	Radiology Workstation Replacement & Monitors w/Video Cards	Change HealthCare Technologies LLC	Last Signature - No Expiration	$276,531	$276,531	Contract Award without Competition	Yes	Greggory Ervin / LeMar Oleson, Information Technology	0%	N/A	N/A