Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, October 25, 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 11:30 a.m. Committee members Eric G. Bing, MD, PhD, and Don O'Bannon, Esq, were present. Committee member Lisa Sutter attended via Webex.

Committee member John Proctor was not present.

Board Member attendees included: Reina Gonzalez, JD, and Farida Minner, RN.

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

Adriana Hinojosa, Supplier Diversity Program Manager
April Audain VP UT Contracts Administration
Bennie Miller, Manager Supplier Diversity
Edmundo Castañeda, EVP & Chief Operating Officer
Felicia Miller, SVP & Chief Talent Officer
Forrest Stovall, Governance Program Manager (in-person)
Fred Cerise, President & Chief Executive Officer (in-person)
Gerry Baker, SVP Revenue Cycle
Guy Toliver, Director Inclusion-Supply Diversity
Jared Ginter, VP Institutional Risk Management
Joe Longo, SVP Chief Information Officer
Joe Mayer, Treasury Director
John Raish, SVP Support Services
Melanie Roberts, SVP & Chief Compliance and Ethics Officer
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 & Chief Legal Officer (in-person)
Tabitha Lee, VP Finance/Controller
Vic Summers, SVP Chief Audit 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. 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. Next, Pam reviewed the sole source contracts. She reviewed each contract, providing a summary of the services and MWBE participation.

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

Eric G. Bing, MD, PhD, motioned to recommend Board approval of Contracts over $200,000. Don O'Bannon, Esq, seconded the motion. The motion passed unanimously.

B. Parkland Financial Performance Presentation

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

For the month of September, Parkland Health recognized a net income of $194.1 which is $182.7M favorable to the budgeted net income of $11.4M and an unfavorable change of ($7.2M) compared to the prior year net income of $201.3M.

Parkland Health's operating margin and operating cash flow margin for the month of September are 42.5% and 47.8%, respectively. The operating margin favorable compared to budget of 5.0% and the operating cash flow margin is also favorable compared to budget of 8.9%. Parkland Health's operating margin is unfavorable compared to the prior year operating margin of 49.5% and unfavorable to the operating cash flow margin of 50.6% from the prior year.

Parkland Health's patient cash collections in September were $92.3M which is below budget by ($1.0M) and $12.1 higher than the prior year. Parkland Health's days cash on hand of 157 days for the month is a decrease of 28 days compared to prior month of 184 days and greater compared to the prior year September of 152 days, an increase of 5 days.

Rick Humphrey reviewed the income statement for September 2022 noting the variances to budget: Net Patient Revenues, Salaries and Benefits, and Government Program revenues. Government Programs revenue was favorable by $169M. Heart program, 1115 Waiver, and Medicaid were favorable by $85M, $40M, and $10M, respectively. Rick also noted $98M positive net revenue due to the new Comprehensive Hospital Increase Reimbursement Program (CHIRP) program. The year finished at $239.4M

against a budget of $96M, favorable by $143M. Offsetting the favorable government programs was a high salary and benefits spend due mostly to being $90M beyond budget for contract labor. Rick reported supplies $58M over budget and $44M in drug expenses due to high volume.

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

Lastly, Rick reviewed the Key Metrics for the system. Rick noted the only negative variance to budget is the case mix.

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

VI. Executive Session

At 12:24 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 FY23 Contract Update

Members of management in executive session attendance included:

April Audain, Edmundo Castañeda, Felicia Miller, Forrest Stovall, Fred Cerise, Melanie Roberts, 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 12:30 p.m., the Committee moved into Open Session.

VII. Adjourn

With no further business to discuss, the Committee Chair adjourned the meeting at 12:31 p.m.

SO RECORDED:

RFMA
RFMA (Nov 17, 2022 19:31 CST)

Ramon Miguez, PE
Committee Chair

Steven Roth
Steven Roth (Nov 19, 2022 11:16 CST)

Steve Roth, JD, MPH
Assistant Secretary

Appendix A (Contracts Reviewed for Approval)

Item	Page No.	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
													October 26, 2022
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1	5	Expense	Solid waste pickup, disposal and hauling services	Republic Services Inc.	11/1/2022 - 10/31/2027	$2,037,742	$2,037,742	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, Operations Administration	0%	N/A	N/A
N2	8	Expense	In-person American Sign Language Interpretation Services	GLOBO Language Solutions;Language Line Services, Inc.;MasterWord Services, Inc.	11/1/2022 - 10/31/2027	$1,171,400	$1,171,400	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Wendy Young, Language Services	See M/WBE Table	See M/WBE Table	See M/WBE Table
N3	11	Capital	Fire Alarm System Installation	Firetrol Protection Systems, Inc.	10/27/2022 - 10/26/2024	$553,478	$553,478	Invitation for Bids	Yes	Paul Woodard, Shabretta Manning, PD&C, Engineering Services	25%	Hispanic	Female
N4	13	Expense	Mod to Add Funds Continuation of Care for Covid Patients Transferred to Local LTAC's	KPC Promise Hospital of Dallas, LLC	12/31/2020 - 12/30/2022	$500,000	$2,849,000	Non-Sole Source Modification	Yes	Marilyn Callies, Care Management	0%	N/A	N/A
N5	15	Revenue: Court Approval	Hillcrest of Dallas Sublease	Forest Park Nursing & Rehabilitation, LLC, an Oasis Healthcare Entity	Last Signature - 8/31/2024	$0	$0	Real Estate Exemption	N/A-Revenue	Beall Carothers, Planning, Design & Construction	0%	N/A	N/A
N6	17	Revenue: Court Approval	Monarch Pavilion Sublease	Forest Park Nursing & Rehabilitation, LLC, an Oasis Healthcare Entity	Last Signature - 8/31/2024	$0	$0	Real Estate Exemption	N/A-Revenue	Beall Carothers, Planning, Design & Construction	0%	N/A	N/A
SOLE SOURCE CONTRACTS - Sorted by Size													
S1	19	Expense	Synchromed Baclofen Pump (Implant)	Medtronic Inc USA	Last Signature - 60 Months	$525,000	$525,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Surgical Services Administration	0%	N/A	N/A
INFORMATION ONLY													
I1	21	Expense	Mod to Add Funds Pharmaceutical Wholesaler	Morris & Dickson, Co., LLC	9/1/2017 - 1/31/2023	$50,000,000	$626,056,292	Sole Source Modification	Yes	Carrie Berge, Pharmacy	0%	N/A	N/A