Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, January 24, 2023, 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: Chair Marjorie Petty, JD; Todd Furniss, JD (in-person); and Reina Gonzalez, JD.

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

Andrew Devine, Associate General Counsel
April Audain, VP UT Contracts Administration
Donna Richardson, EVP & Chief Nursing Executive
Edmundo Castañeda, EVP & Chief Operating Officer
Felicia Miller, EVP & Chief Talent Officer
Fred Cerise, President & Chief Executive Officer (in-person)
Gerry Baker, SVP Revenue Cycle
Guy Toliver, Director Inclusion-Supplier Diversity
Joe Longo, SVP Chief Information Officer
Keri Disney-Story, VP Clinical Finance
Kellee Boardingham, Executive Assistant (in-person)
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 Executive

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. She noted N2, GCC Enterprises Inc., is 44.20% African American male participation. She also noted N3, Appro Inc., is 100% Asian male participation. Next, Pam reviewed the sole source contracts. She reviewed each contract, providing a summary of the services and MWBE participation. Lastly, Pam reviewed the two deviations.

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

VI. Executive Session

At 11:40 a.m., the Committee went into Executive Session as permitted by the closed meeting exceptions specified on the agenda.

A. Discuss Print Management Services Contract

Members of management in executive session attendance included:

Andrew Devine, April Audain, Donna Richardson, Edmundo Castañeda, Felicia Miller, Fred Cerise, Guy Toliver, Joe Longo, Kellee Boardingham, Keri Disney-Story, Pamela Bryant, Rick Humphrey, Roberto de la Cruz, Saul Cordero, Steven Roth, and Vic Summers

Chair adjourned Executive Session and moved into Open Session at 12:11 p.m.

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

A. Approve Contracts Over $200,000

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

B. Parkland Financial Performance Presentation

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

For the month of December, Parkland Health recognized a net income of ($1.5M) which is ($1.6M) unfavorable to the budgeted net income of $0.1M and equivalent compared to the prior year net income of ($1.5M).

Parkland Health's operating margin and operating cash flow margin for the month of December are (3.2%) and 0.2%, respectively. The operating margin was unfavorable compared to budget of (0.8%) and the operating cash flow margin is also unfavorable compared to budget of 2.8%. Parkland Health's operating margin is unfavorable compared to the prior year operating margin of (0.9%) and unfavorable to the operating cash flow margin of 2.4% from the prior year.

Parkland Health's patient cash collections in December were $82.1M which is below budget by ($2.1M) and $6.0M higher than the prior year. Parkland Health's days cash on hand of 185 days for the month is an increase of 14 days compared to prior month of 171 days and greater compared to the prior year December of 165 days, an increase of 20 days.

Rick Humphrey reviewed the income statement for December 2022. There is a negative variance to budget for Net Patient Revenues, Salaries and Benefits, and Supplies. The variance in Salaries and Benefits was driven by increased patient volumes. Parkland's nonoperating revenue was favorable to budget due to the stabilization of interest rates. This revenue offset the Operating Income (Loss) variance. The Total Net Income (Loss) is approximately $6.4 million favorable to budget.

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

Next, Rick reviewed the Key Metrics for the system. Rick noted the negative variances to budget including Hospital Discharges, Case Mix Index, and Ambulatory Visits.

The Committee asked questions and received further information related to the Key Metrics. The Committee specifically asked about the increase in Deliveries and Surgeries as well as the decrease in Ambulatory Visits.

C. FY22 GPO Spend & FY23 Forecast

Pam Bryant presented the FY22 GPO Spend & FY23 Forecast to the Committee.

The Committee asked questions and received additional information related to the FY23 Forecast. The Committee specifically asked about minority and women owned businesses participating in the GPO contracts. The Committee also requested the GPO Spend for the past five years.

VIII. Adjourn

With no further business to discuss, the Committee Chair adjourned the meeting at 12:58 p.m.

SO RECORDED:

RFMA
RFMA (Mar 1, 2023 16:21 CST)

Ramon Miguez, PE
Committee Chair

Steven Roth
Steven Roth (Mar 1, 2023 17:06 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
													January 25, 2023
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1	6	Expense	System-wide Copiers and Print Management Services	Lexmark International, Inc	2/1/2023 - 1/31/2028	$9,369,299	$9,369,299	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Ceazari Threadgill, IT Operations	13%	Hispanic	Female
N2	9	Capital	Task Order #38 MRD Breakroom & Storeroom Expansion	GCC Enterprises Inc.	1/26/2023 - 8/31/2023	$587,408	$587,408	Request for Proposals (Best Value)	Yes	Paul Woodard, PDC-Facilities	44.20%	African American	Male
N3	11	Expense	SCDC Janitorial Services	Appro, Inc.	2/1/2023 - 1/31/2028	$343,727	$343,727	Invitation for Bids	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cory James, Material Receiving Distribution	100%	Asian	Male
N4	13	Capital	Gastroscopes and Colonoscopes	Olympus America, Inc.	Last Signature - 3/312023	$215,279	$215,279	GPO Purchase	Yes	Shika Shakelli, Clinical Engineering	0%	N/A	N/A

Appendix A (Continued)

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SOLE SOURCE CONTRACTS - Sorted by Size													
S1	15	Expense	Mod to Add Funds Craniomaxillofacial (CMF) implants	Stryker Sales Corporation	11/1/2020 - 10/31/2023	$599,000	$1,649,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Surgery Administration	0%	N/A	N/A
S2	17	Expense	Mod to Add Funds reagents and ECHO equipment	Immucor Inc.	9/17/2021 - 9/16/2024	$590,000	$1,249,000	Sole Source Modification	Yes	Tim Lenz, Pathology	0%	N/A	N/A
S3	19	Expense	Mod #2 Blood apheresis disposables/consumables	Terumo BCT, Inc	11/4/2021 - 11/3/2023	$533,227	$1,196,085	Sole Source Modification	Yes	Sandra O'rear, Acute Dialysis	0%	N/A	N/A
S4	21	Expense	OCD-Diana Reagents	Polymedco Cancer Diagnostic Products, LLC	3/1/2023 - 2/28/2028	$600,000	$600,000	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
S5	23	Expense	Mod #1 Neuwave Certus 140 consumables	Johnson & Johnson Health Care Systems Inc.	6/27/2022 - 1/23/2025	$205,000	$304,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Perioperative/ Surgical Services Administration	0%	N/A	N/A
S6	25	Expense	GE X-ray Detector Replacement Service	GE Precision Healthcare LLC	2/1/2023 - 1/31/2028	$225,000	$225,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Travis Kobernick, Clinical Engineering	0%	NA	N/A
S7	27	Revenue: Court Approval	Mod #1 Fifth Amendment to Sublease Agreement	Parkland Foundation	5/1/2017 - 11/30/2022	($634,169)	($1,619,244)	Sole Source Modification	N/A-Revenue	Beall Carothers, Planning Design & Construction	0%	N/A	N/A
DEVIATION/RATIFICATION													
D1	29	Expense-Approved Deviation	2023 DART Employee Preferred Annual Pass	Dallas Area Rapid Transit (DART)	1/1/2023 - 12/31/2023	$490,320	$490,320	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tawana McCullough, Office of Talent Management/ Total Rewards	0%	N/A	N/A
R1	32	Expense-Ratification	Biotel Medical Control Services	University of Texas Southwestern Medical Center (UTSW)	10/15/2022 - 10/14/2029	$13,792,561	$13,792,561	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Melody Gardner, Emergency Services	N/A	N/A	N/A

Appendix A (Continued)

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I1	34	Expense	Pharmaceutical Wholesaler Distribution 340B Split-Billing Software	Morris & Dickson Co., LLC	2/1/2023 - 4/30/2028	$785,000,000	$785,000,000	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Carrie Berge, Pharmacy	0%	N/A	N/A