Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, February 21, 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 11:34 a.m. Committee member Don O'Bannon, Esq, attended via Webex and Committee member Eric G. Bing, MD, PhD, arrived at 11:48 a.m. Committee members John Proctor and Lisa Sutter were not present.

Board members Chair Marjorie Petty, JD, and Farida Minner, RN, attended in-person and were appointed to the Committee to establish quorum.

Board Member attendees included: Chair Marjorie Petty, JD; Ramon Miguez, PE; 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
Donna Richardson, EVP & Chief Nursing Executive
Edmundo Castañeda, EVP & Chief Operating Officer
Felicia Miller, EVP & Chief Talent Officer
Forrest Stovall, Governance Program Manager (in-person)
Fred Cerise, President & Chief Executive Officer (in-person)
Guy Toliver, Director Inclusion-Supplier Diversity
Joe Longo, SVP Chief Information Officer
Joe Mayer, Treasury Director
Joseph Abrahams, Supplier Diversity Program Manager
Keri Disney-Story, VP Clinical Finance
Kellee Boardingham, Executive Assistant (in-person)
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 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. Items N2 through N7 are all capital purchases. Management further explained the need for item N8, Vets Securing America, to offset the current demand of armed guards. Next, Pam reviewed the sole source contracts. She provided a brief overview of each contract.

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

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

A. Parkland Financial Performance Presentation

Rick Humphrey reviewed the financial results for January 2023 and discussed significant performance variances.

For the month of January, Parkland Health recognized a net loss of ($3.5M) which is ($5.8M) unfavorable to the budgeted net income of $2.3M and ($6.3M) unfavorable compared to the prior year net income of $2.8M.

Parkland Health's operating margin and operating cash flow margin for the month of January are (5.3%) and (1.8%), respectively. The operating margin was unfavorable compared to budget of 0.2% and the operating cash flow margin is also unfavorable compared to budget of 4.0%. Parkland Health's operating margin is unfavorable compared to the prior year operating margin of 2.1% and unfavorable to the operating cash flow margin of 5.5% from the prior year.

Parkland Health's patient cash collections in January were $82.0M which is above budget by $9.4M and $6.9M higher than the prior year. Parkland Health's days cash on hand of

194 days for the month is an increase of 9 days compared to prior month of 185 days and compared to the prior year January of 198 days, a decrease of 4 days.

Rick Humphrey reviewed the income statement for January 2023. He noted the approximate $12.2 million variance to budget for Salaries and Benefits as well as the approximate $3 million variance to budget for Supplies.

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

Next, Rick reviewed the Key Metrics for the system. Community Oriented Primary Care (COPC) clinic visits are at pre-COVID levels but remain lower than prior fiscal year due to a decrease in vaccination visits. The Average Daily Census, ED Visits, and Surgery volumes are higher than prior fiscal year which contributes to the increase in Salaries and Benefits as well as Supplies costs. Additional capacity for surgeries has been opened which contributes to the increase as well.

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

Lastly, Rick reviewed the financials for PCHP.

VI. Adjourn

With no further business to discuss, the Committee Chair adjourned the meeting at 12:33 p.m.

SO RECORDED:

RFMA
RFMA (Apr 10, 2023 16:34 CDT)

Ramon Miguez, PE
Committee Chair

Steven J Roth
Steven J Roth (Apr 4, 2023 14:53 CDT)

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
													February 22, 2023
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1	6	Expense	Mod to Add Funds: Health Plan Third Party Administrator	United Medical Resources (UMR), a subsidiary of United Healthcare	10/1/2016 - 12/31/2023	$5,650,000	$54,588,766	Non-Sole Source Modification	Yes	Tawana McCullough, Office of Talent Management (Total Rewards	0%	N/A	N/A
N2	8	Capital	BiPlane IR System	Siemens Medical Solutions USA, Inc.	Last Signature - 12/31/2024	$3,181,372	$3,181,372	GPO Purchase	Yes	Patrick Eaton & Justin Mahan, Clinical Engineering	9.7%	N/A	N/A
N3	10	Capital	Azurion 7 C20 FlexArm	Philips Healthcare	Last Signature - 3/7/2024	$1,750,403	$1,750,403	GPO Purchase	Yes	Patrick Eaton & Justin Mahan, Clinical Engineering	0%	N/A	N/A
N4	12	Capital	OK Paper Warehouse Deconstruction and Demolition	GCC Enterprises, Inc.	2/23/2023 - 7/13/2023	$866,251	$866,251	Task Order Competition	Yes	Paul Woodard, Planning Design and Construction	100%	Black or African American	Male
N5	14	Capital	ARveo 8 Microscope for Neurosurgery	Leica Microsystems, Inc.	Last Signature - 9/28/2023	$524,161	$524,161	GPO Purchase	Yes	Shika Shakelli/ Lily Tredemeyer, Clinical Engineering	0%	N/A	N/A
N6	16	Capital	Camera Install for 17 Behavioral Health and Emergency Department / Observation Unit	Siemens Industry, Inc.	Last Signature - 5 years	$510,337	$510,337	GPO Purchase	Yes	Bruce McDaniels/ Joe Longo, Information Technologies	0%	N/A	N/A
N7	18	Capital	System 8 saws for Operation Room	Stryker Sales, LLC, through its Instruments Division	Last Signature - 9/1/2023	$312,199	$312,199	GPO Purchase	Yes	Cheston Chan, Perioperative Services	0%	N/A	N/A
N8	20	Expense	Mod #3 Level III armed guard services	Vets Securing America	1/1/2022 - 12/31/2023	$180,000	$610,335	Non-Sole Source Modification	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

Appendix A (Continued)

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SOLE SOURCE CONTRACTS - Sorted by Size													
S1	22	Expense	Mod #4 Spine Implants	Integra Lifesciences Corporation	1/1/2021 - 12/31/2025	$1,815,000	$2,920,000	Sole Source Modification	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	NA
S2	24	Expense	COVID/Flu Tests	Cepheid	Last Signature - 1 Year	$1,500,000	$1,500,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Kristi Morgan/ Tim Lenz, Microbiology/Pathology	0%	N/A	NA
S3	26	Expense	Mod #6 Interventional and On-Control Products	Teleflex, LLC	5/1/2019 - 2/28/2025	$1,386,000	$2,395,158	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Pam Bryant, Supply Chain	0%	N/A	N/A
S4	28	Expense	Mod #5 Neuro Coils & Accessories	MicroVention Inc.	7/1/2019 - 7/1/2024	$805,000	$2,505,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Crystal Harrison, Interventional Radiology	0%	N/A	N/A
S5	30	Expense	Radio Frequency Ablation Probes & Accessories	AngioDynamics, Inc.	Last Signature - 3 Years	$688,000	$688,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Crystal Harrison, Interventional Radiology	0%	N/A	N/A
S6	32	Expense	Mod #2 Surgical First Assistant Services	TexAssist	1/27/2022 - 2/28/2025	$540,320	$725,320	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Donne Hale / Marjorie Quint-Bouzid, Peri-Op	0%	N/A	N/A
S7	34	Expense	Mod #5 Neurovascular Products w/ Consignment	Medtronic USA, Inc.	10/24/2018 - 10/23/2023	$238,000	$1,428,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Crystal Harrison, Interventional Radiology	0%	N/A	N/A
S8	36	Expense	Mod #2 Cardiovascular Products & Consignment	Medtronic USA, Inc.	6/26/2019 - 7/2/2024	$128,000	$393,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Crystal Harrison, Interventional Radiology	0%	N/A	N/A

Appendix A (Continued)

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
S9	38	Expense: Court Approval	Mod #1 First Amendment to Lease Agreement – Garland COPC	City of Garland	9/16/1993 - 9/15/2033	$100	$400	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	N/A	N/A	N/A
INFORMATION ONLY													
I1	40	Expense	Secondary Pharmaceutical Wholesaler Distribution	Cardinal Health	3/1/2023 - 4/30/2025	$13,300,000	$13,300,000	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year	Carrie Berge, Pharmacy	70%	Caucasian	Female