Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, April 25, 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

Appointed Committee Chair Lisa Sutter 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 John Proctor attended in-person. Committee Chair Ramon Miguez, PE, was not present.

Board Member attendees included: Chair Marjorie Petty, JD (via Webex); and Byron Cryer, MD.

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
Forrest Stovall, Governance Program Manager (in-person)
Fred Cerise, President & Chief Executive Officer (in-person)
Guy Toliver, Director Inclusion-Supplier Diversity
Jared Ginter, VP Institutional Risk Management
Joe Longo, SVP Chief Information Officer
Joe Mayer, Treasury Director
Keri Disney-Story, VP Clinical Finance
Melanie Roberts, SVP & Chief Compliance and Ethics Officer
Pam Bryant, SVP Chief Supply Chain Officer (in-person)
Pamela Tronzano, Sr. Associate Attorney
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

Other Attendees included:
Darryl Blair, Elite News
Tammy Pierce, NAACP

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 N1, Taurus Commercial, is a renovation project to park the HOMES buses with 52% Hispanic male participation.

The Committee asked questions and received information related to the MWBE participation for non-sole source contracts. The Committee also asked questions and received additional information related to the MWBE trends.

Next, Pam reviewed the sole source contracts. She provided a brief overview of each contract and noted the 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 with the exception of N1, Taurus Commercial. Lisa Sutter seconded the motion. The motion passed unanimously.

Eric G. Bing, MD, PhD, motioned to recommend Board approval of contract N1, Taurus Commercial. John Proctor seconded the motion. All Committee members voted in favor of the contract with the exception of John Proctor voting opposed.

Committee member John Proctor left the meeting at 11:51 a.m. Board member Byron Cryer, MD, was appointed to the Committee to establish quorum.

B. Approve Capital Substitutions

Rick Humphrey presented one capital substitution for approval. The Capital Substitution totals $781,227 for a Weapon Detection System.

The Committee asked questions and received additional information related to Capital Substitutions.

Eric G. Bing, MD, PhD, motioned to recommend Board approval of Capital Substitutions. Byron Cryer, MD, seconded the motion. The motion passed unanimously.

C. Parkland Financial Performance Presentation

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

For the month of March, Parkland Health recognized a net income of $11.8M which is $10.0M favorable to the budgeted net income of $1.8M and $17.4M favorable compared to the prior year net loss of ($5.6M).

Parkland Health's operating margin and operating cash flow margin for the month of March are (0.5%) and 3.1%, 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 3.4%. Parkland Health's operating margin is favorable compared to the prior year operating margin of (1.6%) and favorable to the operating cash flow margin of 1.6% from the prior year.

Parkland Health's patient cash collections in March were $90.3M which is above budget by $9.1M and $9.0M higher than the prior year. Parkland Health's days cash on hand of 257 days for the month is an increase of 37 days compared to prior month of 220 days and compared to the prior year March of 238 days, an increase of 19 days.

Rick Humphrey reviewed the income statement for March 2023. He noted the $5.2 million variance to budget for Operating Expenses, of which approximately $3.5 million is related to Supplies. With the Operating Revenues positive variance of approximately $4.4 million, the variance to budget for Operating Income (Loss) is approximately $770,000.

Next, Rick reviewed the income statement including all Parkland entities. The variance to budget for Total Net Income (Loss) is approximately $28.5 million, mainly due to the Parkland Community Health Plan's financials.

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

Next, Rick reviewed the Key Metrics for the system. He noted metrics are favorable to budget with the exception of Case Mix Index and Ambulatory Visits. Cash Balance and Days Cash on Hand are also very strong.

The Committee asked questions and received further information related to the Key Metrics. The Committee also asked questions and received further information related to the expected decline in government reimbursements.

A. **Adjourn**
With no further business to discuss, the Committee Chair adjourned the meeting at 12:40 p.m.

SO RECORDED:

Lisa Sutter
Lisa Sutter (May 31, 2023 11:36 CDT)

Lisa Sutter
Appointed Committee Chair

Steven J Roth
Steven J Roth (Jun 7, 2023 13:37 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
													April 26, 2023
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1	5	Capital	HOMES Construction	Taurus Commercial, Inc.	4/27/2023 - 4/26/2024	$2,172,348	$2,172,348	Invitation for Bids	Yes	Mark Stewart, Planning, Design and Construction	52%	Hispanic	Male
N2	7	Capital	EKG Machines	GE Healthcare	Last Signature - 4/30/2024	$1,070,331	$1,070,331	GPO Purchase	Yes	Marcus Cooper, Clinical Engineering	0%	N/A	N/A
N3	9	Expense	External Patient Referral Services	Eceptionist Inc.	5/1/2023 - 4/30/2028	$900,000	$900,000	Request for Proposals (Best Value)	Yes	Cynthia Hamilton, IT-Administration	0%	N/A	N/A
N4	12	Capital: New Parkland	Upgrade the Endoscopy system at the Ambulatory Surgical Center (ASC)	Karl Storz Endoscopy-America, Inc.	Last Signature - 4/30/2026	$277,608	$277,608	GPO Purchase	Yes	Shika Shakelli, Clinical Engineering	0%	N/A	N/A
N5	14	Expense: Court Approval	Temporary Demolition, Staging & Construction Easement (Aston & Danciger)	Board of Regents of the University of Texas System	3/31/2023 - 3/30/2026	$0	$0	Real Estate – Exemption	N/A-Zero Dollar	Beall Carothers, Planning Design & Construction	0%	N/A	N/A
N6	16	Expense: Court Approval	Temporary Demolition, Staging & Construction Easement (Zale)	Board of Regents of the University of Texas System	3/31/2023 - 3/30/2026	$0	$0	Real Estate – Exemption	0	Beall Carothers, Planning Design & Construction	0%	N/A	N/A

Appendix A (Continued)

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SOLE SOURCE CONTRACTS - Sorted by Size													
S1	18	Expense	Sofia Test Kits	Quidel Corporation	5/1/2023 - 4/30/2026	$3,100,000	$3,100,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Jennifer Delong/ Tim Lenz, Pathology	0%	N/A	N/A
S2	20	Expense	Mod #1 Ventana Tissue Products/Stain reagents	Roche Diagnostics Corporation	4/1/2013 - 12/22/2026	$1,800,000	$3,577,689	Sole Source	Yes	Tim Lenz, Pathology	0%	N/A	N/A
S3	22	Expense	Photodynamic Bone Stabilization System	IlluminOss	Last Signature - 4 Years	$264,000	$264,000	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
S4	24	Expense	Mod #2 Patient Financial Assistance Program	CompSpec, Inc.	5/13/2019 - 5/12/2024	$50,000	$248,000	Sole Source Modification	Yes	Kyle Cross, Patient Financial Services	0%	N/A	NA
CONTRACTS AWARDED WITHOUT COMPETITION (OTHER) - Sorted by Size													
O1	26	Expense	Mod #4 Respiratory Services	INO Therapeutics LLC d/b/a Mallinckrodt	7/1/2010 - 9/30/2024	$2,965,518	$8,648,738	Contract Extension without Competition	Yes	Glen Metoyer , Respiratory Care	0%	N/A	N/A