Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, August 22, 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 member Eric G. Bing, MD, PhD, attended in-person. Committee members John Proctor and Lisa Sutter attended via Webex. Board member Vincent Hall was appointed to establish quorum.

Board Member attendees included: Chair Marjorie Petty, JD; Byron Cryer, MD; and Vincent Hall.

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

April Audain, VP UT Contracts Administration (in-person)
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
Jared Ginter, VP Institutional Risk Management
Jessica Hernandez, SVP Chief DEI Officer
Joe Mayer, Director Treasury
Joseph Longo, SVP Chief Information Officer
Kellee Boardingham, Executive Assistant (in-person)
Keri Disney-Story, VP Clinical Finance
Melanie Roberts, SVP Chief Compliance & Ethics Officer
Pam Bryant, SVP Chief Supply Chain Officer (in-person)
Rick Humphrey, EVP & Chief Financial Officer (in-person)
Saul Cordero, SVP & Chief Governance & Strategy Officer (in-person)
Steven Roth, EVP & Chief Legal Officer (in-person)
Tabitha Lee, VP Finance
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. Contract N2, Exserv Facility Svc, is 100% MWBE participation. Contract N3, Corgan Associates, is 34% MWBE participation.

Next, Pam presented the sole source contracts. She provided a brief overview of each contract and highlighted the MWBE participation. Contract S6, Sabrina T. Brown, is 100% MWBE participation.

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

VI. Executive Session

At 11:53 a.m., the Committee moved into Executive Session as permitted by the closed meeting exceptions specified on the agenda.

Members of management were excused from the discussion of topics as necessary.

Members of management in executive session attendance included:

April Audain, Donna Richardson, Edmundo Castañeda, Felicia Miller, Forrest Stovall, Fred Cerise, Joseph Longo, Kellee Boardingham, Melanie Roberts, Pamela Bryant, Rick Humphrey, Saul Cordero, Steve Roth, and Vic Summers

A. Discussion of Cyber Security Contract (Ex-N1)

The Committee adjourned the executive session at 11:58 a.m.

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

A. Approve Contracts over $200,000

Eric G. Bing, MD, PhD, motioned to recommend Board approval of Contracts over $200,000. Vincent Hall seconded the motion. The motion passed unanimously.

B. Approve Capital Substitutions

April Audain presented five capital substitutions for approval. The Capital Substitutions total $5,892,924.

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

Lisa Sutter motioned to recommend Board approval of Capital Substitutions, pending additional information for Capital Substitution Ref #1. Eric G. Bing, MD, PhD, seconded the motion. The motion passed unanimously.

C. Parkland Financial Performance Presentation

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

For the month of July, Parkland Health recognized a net income of $10.3M which is $9.0M favorable to the budgeted net income of $1.3M and ($6.7M) unfavorable compared to the prior year net income of $17.0M.

Parkland Health's operating margin and operating cash flow margin for the month of July are 1.4% and 4.6%, respectively. The operating margin was favorable compared to budget of (0.2%) and the operating cash flow margin is also favorable compared to budget of 3.3%. Parkland Health's operating margin is unfavorable compared to the prior year operating margin of 6.0% and unfavorable to the operating cash flow margin of 9.1% from the prior year.

Parkland Health's patient cash collections in July were $95.0M which is above budget by $10.0M and $0.3M higher than the prior year. Parkland Health's days cash on hand of 216.5 days for the month is a decrease of (13.5) days compared to prior month of 229.9 days and compared to the prior year July of 192.6 days, an increase of 23.9 days.

Rick Humphrey reviewed the income statement for July 2023. He noted the variances to budget for revenues as well as for expenses. The variance to budget for Operating Revenues is $14,011,000. The variance to budget for Operating Expenses is $10,437,000. The variance to budget for Total Net Income (Loss) is approximately $9,048,000.

The Committee asked questions and received additional information related to drivers of the variance for Salaries and Benefits as well as Supplies.

Next, Rick reviewed the income statement including all Parkland entities. The variance to budget for Operating Revenues is $15,837,000. The variance to budget for Operating Expenses is $10,897,000. The variance to budget for Total Net Income (Loss) is $10,388,000. Rick noted PCHP had a good month overall.

The Committee asked questions and received additional information related to the Financial Performance Presentation. The Committee also asked questions and received additional information related to anticipated changes in government reimbursement.

Next, Rick reviewed the Key Statistics for the system. He noted those metrics with variances to budget.

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

D. FY24 Budget Presentation

Rick Humphrey presented the FY24 Budget. First, he reviewed the Budget Assumptions relating to Risk Elements, Revenue, Volumes, and Expenses. Next, he reviewed the FY24 Budget.

Key Metrics:

- Total Operating Revenues: $2,726,048,000
- Total Operating Expenses: $2,718,225,000
- Total Net Income: $89,993,000
- Capital Budget: $241,600,000

The Committee asked questions and received additional information related to the FY24 Budget Presentation.

E. Approve FY24 Budget Resolution

Rick Humphrey presented the FY24 Budget Resolution for approval. The Committee discussed adjusting the resolution to accommodate a .5% change in Operating Expenses for market-adjustments.

Eric G. Bing, MD, PhD, motioned to recommend Board approval of the FY24 Budget Resolution, noting the increase to 2.5% from 2% for market-adjustments. Vincent Hall seconded the motion. The motion passed unanimously.

At 1:12 p.m., the Committee recessed. The Committee Chair called the meeting to order again at 1:14 p.m.

A. Executive Session

At 1:14 p.m., the Committee moved into Executive Session as permitted by the closed meeting exceptions specified on the agenda.

Members of management were excused from the discussion of topics as necessary.

Members of management in executive session attendance included:

April Audain, Donna Richardson, Edmundo Castañeda, Felicia Miller, Forrest Stovall, Fred Cerise, Jessica Hernandez, Keri Disney-Story, Melanie Roberts, Pamela Bryant, Rick Humphrey, Saul Cordero, Steve Roth, and Vic Summers

A. Discussion of Master Services Agreement for Physician Services Contract

The Committee adjourned the executive session at 1:22 p.m.

A. **Adjourn**
With no further business to discuss, the Committee Chair adjourned the meeting at 1:22 p.m.

SO RECORDED:

RFMA
RFMA (Sep 30, 2023 08:01 CDT)
Ramon Miguez, PE
Committee Chair

Steven Roth
Steven Roth (Oct 1, 2023 09:24 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
													August 23, 2023
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1		Capital	Jail Pharmacy Automation Systems	Parata Systems, LLC (a CareFusion Solutions, LLC company)	9/1/2023 - 8/31/2027	$1,400,921	$1,400,921	GPO Purchase	Yes	Larry Scurria, Jail Pharmacy	0%	N/A	N/A
N2		Expense	On Call Moving Services	Exserv Facility Svc, Inc.;Office Interiors Group, Inc.	8/23/2023 - 8/22/2028	$1,000,000	$1,000,000	Request for Proposals (Best Value)	Yes	Veronica Mendez, Planning Design & Construction	100%	Caucasian	Female
N3		Capital	Design Services for the New Vickery Clinic	Corgan Associates, Inc	Last signature - 11/30/2025	$983,330	$983,330	Request for Qualifications	Yes	Laura Adair, Planning Design & Construction	34%	34% See chart	N/A
N4		Capital	IntelliVue patient monitors, MX450 US	Philips Healthcare	9/1/2023 - 8/31/2024	$707,996	$707,996	GSA Purchase	Yes	Marcus Cooper, Clinical Engineering	0%	N/A	N/A
N5		Expense	Program Management Software	PMWeb, Inc.	Last Signature - 5 years	$449,000	$449,000	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	John Wilson/Cynthia Hamilton, Information Technology	0%	N/A	N/A
N6		Expense	Mod #1 Medicare DSH Add-on of 1115 Waiver and ESRD Add-on Payment	Ernst & Young LLP	10/1/2019 - 9/30/2026	$420,000	$2,083,000	Non-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
N7		Revenue	Mod #1 Reimbursement for Resident Stipends	Texas Scottish Rite Hospital for Children	7/1/2019 - 7/31/2023	($394,994)	($1,401,694)	N/A-Revenue	N/A-Revenue	Elizabeth Ponce, Graduate Medical Education	N/A	N/A	N/A
N8		Revenue	Mod #1 Clinical Research Services	The University of Texas Southwestern Medical Center	10/1/2021 - 9/30/2024	($700,000)	($2,100,000)	N/A-Revenue	N/A-Revenue	Susan Partridge, Medical Affairs Administration	N/A	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
SOLE SOURCE CONTRACTS - Sorted by Size													
S1		Expense	GE Diagnostic Imaging Systems Support & Maintenance	GE Precision Healthcare LLC	9/1/2023 - 8/31/2028	$2,416,430	$2,416,430	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%	N/A	N/A
S2		Capital	Mobile Medical Unit	CGS Premier	Last Signature - 1 Year	$494,915	$494,915	Sole Source	Yes	Niccole McKinley, Wish Administration	0%	N/A	N/A
S3		Expense	Mod #1 Term Extension	Witt/Kieffer, Inc.	6/26/2023 - 6/25/2024	$439,200	$588,100	Sole Source Modification	Yes	Stacy Dorsey, OTM	0%	N/A	N/A
S4		Expense	Mod #2 OR Positioners	Xodus Medical	10/1/2022 - 9/30/2024	$392,000	$584,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Cheston Chan, Perioperative Administration	0%	N/A	N/A
S5		Expense	Mod #9 One-time Indexing Completion Project	Iron Mountain, Inc.	5/5/2018 - No Expiration	$264,280	$996,409	Sole Source	No, funded through substitution	Denise Pickett, Legal Affairs	0%	N/A	N/A
S6		Expense	Mod #7 Texas State Legislative Consulting Services	Sabrina T. Brown	9/12/2012 - 8/31/2024	$239,000	$2,012,999	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Katherine Yoder, Legislative Affairs	100%	Caucasian	Female
S7		Expense	Mod #2 ROTEM Analyzer Supplies	Werfen USA LLC	3/15/2019 - 3/14/2024	$145,000	$669,984	Sole Source	Yes	Tim Lenz, Pathology	0%	N/A	N/A
S8		Revenue	Mod #4 Bio-Medical On-Line Supervision for Emergency Medical System (Lancaster)	City of Lancaster, Texas	10/1/2016 - 9/30/2024	($66,978)	($229,566)	Sole Source Modification	N/A-Revenue	Melody Gardner, Emergency Services	N/A	N/A	N/A
S9		Revenue	Mod #8 Bio-Medical On-Line Supervision for Emergency Medical System (Acadian)	Acadian Ambulance Service of Texas	10/1/2016 - 9/30/2024	($108,656)	($342,392)	Sole Source Modification	N/A-Revenue	Melody Gardner, Emergency Services	N/A	N/A	N/A
S10		Revenue	Mod #4 Bio-Medical On-Line Supervision for Emergency Medical System (Duncanville)	City of Duncanville, Texas	10/1/2016 - 9/30/2025	($138,670)	($310,978)	Sole Source Modification	N/A-Revenue	Melody Gardner, Emergency Services	N/A	N/A	N/A
S11		Revenue	Mod #3 a Multi-Disciplinary Behavioral Health Response Team	City of Garland, Texas	10/1/2021 - 9/30/2024	($139,640)	($387,219)	Sole Source Modification	N/A-Revenue	Melody Gardner, Emergency Services Administration	N/A	N/A	N/A
S12		Revenue	Mod #4 Bio-Medical On-Line Supervision for Emergency Medical System (DeSoto)	City of DeSoto, Texas	10/1/2016 - 9/30/2025	($150,579)	($356,733)	Sole Source Modification	N/A-Revenue	Melody Gardner, Emergency Services	N/A	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
S13		Revenue	Mod #1 Bio-Medical On-Line Supervision for Emergency Medical System (Cedar Hill)	City of Cedar Hill, Texas	10/1/2021 - 9/30/2025	($152,312)	($216,461)	Sole Source Modification	N/A-Revenue	Melody Gardner, Emergency Services	N/A	N/A	N/A
S14		Revenue	Mod #1 Multi-Disciplinary Behavioral Health Response Team	City of Lancaster, Texas	10/1/2022 - 9/30/2024	($197,000)	($394,000)	Sole Source Modification	N/A-Revenue	Melody Gardner, Emergency Services Administration	N/A	N/A	N/A
S15		Revenue	Mod #4 Bio-Medical On-Line Supervision for Emergency Medical System (Irving)	City of Irving, Texas	10/1/2016 - 9/30/2025	($247,282)	($942,911)	Sole Source Modification	N/A-Revenue	Melody Gardner, Emergency Services	N/A	N/A	N/A
S16		Revenue	Mod #3 Data Sharing for MIPS Reporting	The University of Texas Southwestern Medical Center	3/9/2022 - 8/31/2024	($360,930)	($1,012,770)	Sole Source Modification	N/A-Revenue	Keri Disney-Story, Finance Administration	0%	N/A	N/A
S17		Revenue	Mod #2 Southeast Collaboration Crisis Intervention Team	City of Mesquite, Texas	10/1/2021 - 9/30/2024	($522,441)	($1,159,619)	Sole Source Modification	N/A-Revenue	Melody Gardner, Emergency Services Administration	N/A	N/A	N/A
CONTRACTS AWARDED WITHOUT COMPETITION (OTHER) - Sorted by Size													
O1		Expense	Mod #1 Patient transportation services	Uber Health	11/2/2022 - 12/31/2024	$1,650,000	$1,800,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Jared Lange, Business Sustainability	0%	N/A	N/A
O2		Expense	Mod #3 Medical Answering Services	New Orleans Teleport, Inc. d/b/a CALLS PLUS	10/1/2016 - 9/30/2024	$207,050	$626,775	Contract Extension without Competition	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Prentiss Wright, COPC Administration	0%	N/A	N/A