Minutes of the Budget and Finance Committee meeting of the Board of Managers of the Dallas County Hospital District, held Tuesday, December 19, 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 (arrived at 11:32 a.m.); and John Proctor (arrived at 11:36 a.m.) attended in-person. Committee member Lisa Sutter attended via Webex. Board members Todd Furniss, JD; and Vincent Hall were appointed for quorum at 11:30 a.m.

Committee member Byron Cryer, MD, did not attend.

Board Member attendees included: Chair Marjorie Petty, JD; Todd Furniss, JD; Vincent Hall; Farida Minner, RN (via Webex); and Elizabeth Palacios, MD (via Webex).

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

April Audain, VP UT Contracts Administration
Donna Richardson, EVP & Chief Nursing Executive
Felicia Miller, EVP & Chief Talent Officer
Forrest Stovall, Governance Program Manager
Fred Cerise, President & Chief Executive Officer
Gerry Baker, SVP Revenue Cycle
Guy Toliver, Director Inclusion-Supplier Diversity
Jessica Hernandez, SVP Chief DEI Officer
Joe Mayer, Director Treasury
John Raish, SVP Support Services
Joseph Longo, SVP Chief Information Officer
Kellee Boardingham, Executive Assistant
Keri Disney-Story, VP Clinical Finance
Pam Bryant, SVP Chief Supply Chain Officer
Paula Denney, Associate General Counsel
Rick Humphrey, EVP & Chief Financial Officer
Roberto de la Cruz, EVP & Chief Clinical Officer
Saul Cordero, SVP & Chief Governance & Strategy Officer (Webex)
Steve Miff, PCCI CEO
Steven Roth, EVP & Chief Legal Officer
Tabitha Lee, VP Finance

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 presented the sole source contracts. She provided a brief overview of each contract and highlighted the MWBE participation. Contract S8, Grace Presbyterian Ministries, is 100% African American Female MWBE participation.

The Committee asked questions and received further information related to Contracts over $200,000. The Committee also asked questions and received additional information related to how many employees who experienced workplace violence have used the Employee Assistance Program (EAP) services.

VI. Executive Session

At 11:48 a.m., the Board went 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.

A. Discussion of Cyber Security Contract (N8)

B. Consultation with Attorney Regarding Parkland Center for Clinical Innovation (PCCI) and Pieces Technology, Inc (PTI) Agreement

Members of management in executive session attendance included:

April Audain, Donna Richardson, Felicia Miller, Forrest Stovall, Fred Cerise, Gerry Baker, Guy Toliver, Jessica Hernandez, Joe Mayer, John Raish, Joseph Longo, Kellee Boardingham, Keri Disney-Story, Pam Bryant, Paula Denney, Rick Humphrey, Roberto de la Cruz, Saul Cordero, Steve Miff, Steven Roth, and Tabitha Lee

Chair adjourned Executive Session and moved into Open Session at 12:30 p.m.

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

A. Approve Contracts Over $200,000

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

B. Approve Capital Substitutions

April Audain presented three capital substitutions for approval. The Capital Substitutions total $2,699,354.

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

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

C. Approve 8311-1-15 Investment Policy-Defined Contribution

Rick Humphrey reviewed the 8311-1-15 Investment Policy-Defined Contribution. He noted the key proposed changes to align with recent retirement plan changes.

The Committee asked questions and received additional information related to the 8311-1-15 Investment Policy-Defined Contribution.

Eric G. Bing, MD, PhD, motioned to recommend Board approval of 8311-1-15 Investment Policy-Defined Contribution. John Proctor seconded the motion. The motion passed unanimously.

D. Approve Investment Committee Appointments

Rick Humphrey presented the Investment Committee Appointments for approval.

The Committee asked questions and received additional information related to the Investment Committee Appointments. The Committee also asked questions and received additional information related to establishing minimum requirements for membership and a process by which members are selected.

Eric G. Bing, MD, PhD, motioned to recommend Board approval of the Investment Committee Appointments. John Proctor seconded the motion. The motion passed unanimously.

E. Parkland Financial Performance Presentation

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

For the month of November, Parkland Health recognized a net income of $14.7M which is $8.3M favorable to the budgeted net income of $6.4M and $8.5M favorable compared to the prior year net income of $6.2M.

Parkland Health's operating margin and operating cash flow margin for the month of November are 0.6% and 4.0%, 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 3.1%. Parkland Health's operating margin is favorable compared to the prior year operating margin of (0.1%) and favorable to the operating cash flow margin of 3.4% from the prior year.

Parkland Health's patient cash collections in November were $100.2M which is higher than budget by $27.9M and $19.0M above the prior year. Parkland Health's days cash on hand of 171.1 days for the month is a decrease of (13.6) days compared to prior month of 184.7 days and compared to the prior year November of 170.8 days, an increase of 0.3 days.

Rick Humphrey reviewed the income statement for November 2023. He noted the variances to budget including Purchased Medical Services and Supplies. Operating Revenues had a positive variance to budget of approximately $5.6M, and Operating Expenses had a negative variance to budget of approximately $3.7M. Operating Income (Loss) also had a negative variance to budget of approximately $1.9M. The Total Net Income (Loss) had a positive variance to budget of approximately $8.9M. The nonoperating revenues variance to budget is attributed to a significant increase in the bond investment portfolio.

Next, Rick reviewed the income statement for November 2023 including all Parkland entities. Operating Revenues had a positive variance to budget of approximately $7.5M, and Operating Expenses had a negative variance to budget of approximately $1.8M. Total Net Income (Loss) had a positive variance to budget of approximately $16.7M. The Operating Margin was 1.7% including all Parkland entities. For FYTD November 2023, the Total Net Income (Loss) including all entities was approximately $16.2M.

The Committee asked questions and received further information related to the Income Statements.

Next, Rick reviewed the Key Statistics for the system. Hospital Discharges, Average Daily Census, Emergency Visits, Ambulatory Visits, and Surgeries all had negative variances to budget. He noted the budget numbers are slightly higher than prior year, but statistics remained consistent with prior year. He also noted the cash balance consistently increases year over year.

The Committee asked questions and received further information related to the Key Statistics. The Committee specifically asked questions and received additional information related to Patient Cash Collections and Payor Type.

F. Approve Transfer of $22.8 million from Parkland Health to Parkland Community Health Plan, Inc

Rick Humphrey informed the Board of a transfer from Parkland Health to Parkland Community Health Plan, Inc. (PCHP) to address a reporting error in 2022.

Eric G. Bing, MD, PhD, motioned to recommend Board approval of the transfer of $22,807,041.93 from Parkland Health to Parkland Community Health Plan, Inc. to address a reporting error. John Proctor seconded the motion. The motion passed unanimously.

B. **Adjourn**

With no further business to discuss, Committee Chair Ramon Miguez, PE, adjourned the meeting at 1:22 p.m.

SO RECORDED:

RFMA
RFMA (Jan 25, 2024 15:38 CST)

Ramon Miguez, PE
Committee Chair

STeven J Roth
STeven J Roth (Jan 25, 2024 20:01 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
													December 20, 2023
NON-SOLE SOURCE CONTRACTS - Sorted by Size													
N1		Expense	Middleware System for Point of Care Devices	Abbott Rapid Diagnostics Informatics, Inc.	1/1/2024 - 12/31/2028	$822,300	$822,300	Request for Proposals (Best Value)	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Peng Lee, Information Technology	0%	N/A	N/A
N2		Capital	Gastroscopes and Colonoscopes	Olympus America, Inc.	Last Signature - 1/4/2025	$534,050	$534,050	GPO Purchase	Yes	Shika Shakelli, Clinical Engineering	0%	NA	NA
N3		Capital	MAGNETOM Sola/ Sola Fit & Skyra Options	Siemens Medical Solutions USA, Inc.	Last Signature - 12/31/2024	$362,249	$362,249	GPO Purchase	Yes	Patrick Eaton, Clinical Engineering	0%	N/A	N/A
N4		Capital	Electrosurgical Generators and Accessories	Covidien Sales, Inc..	Last Signature - 1/4/2025	$359,450	$359,450	GPO Purchase	Yes	Shika Shakelli, Clinical Engineering	0%	N/A	N/A
N5		Expense	Mod #3 Hospital Wide Courier Services	Eagle Express	1/1/2019 - 5/31/2024	$187,051	$1,873,461	Invitation for Bids	Yes	Tim Lenz, House Wide	0%	N/A	N/A
N6		Expense	Mod # Employee Assistance Program (Employee Benefit)	ComPsych Corporation	8/1/2017 - 12/31/2024	$131,000	$881,000	Non-Sole Source Modification	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
N7		Expense	Mod #1 Amendment to add Placental Cassette Preparation Services back into the agreement	ProPath Services, LLC	7/30/2021 - 7/29/2025	$124,200	$298,647	Invitation for Bids	Yes	Stephanie Nobles, Anatomic Pathology Lab	0%	N/A	N/A
N8		Expense	Cyber Security Contract		6/19/2020 - 1/4/2025	$116,249	$689,248	TXMAS or DIR Purchase	Yes	Bruce McDaniels, Information Technology	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
SOLE SOURCE CONTRACTS - Sorted by Size													
S1		Capital and Expense	Mako Robot	Stryker Medical	8/1/2022 - 7/31/2027	$2,005,000	$2,005,000	Sole Source	Yes	Cheston Chan, Perioperative Services Administration	0%	N/A	N/A
S2		Expense	Mod #1 Diagnostic Stains for Tissue Stainers	Agilent Technologies	5/30/2018 - 11/30/2026	$1,116,000	$3,103,209	Sole Source	Yes, for the current fiscal year. Additional year's costs will be budgeted in the appropriate fiscal year budgets.	Tim Lenz/Sara Blacketer, Anatomic Pathology	0%	N/A	N/A
S3		Expense	Reagents for Electrophoresis Testing (Chemistry Lab)	Sebia, Inc	1/1/2024 - 12/31/2028	$850,000	$850,000	Sole Source	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Tim Lenz/Kristian Faulk, Pathology	0%	N/A	N/A
S4		Expense	Mod #6 Neurovascular Implants	Stryker Neurovascular	1/1/2019 - 12/31/2024	$584,000	$1,920,100	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	John Camacho, Interventional Radiology	0%	N/A	N/A
S5		Capital	Stealth Station purchase with Trade-in	Medtronic USA, Inc.	Last Signature - 1/4/2025	$487,122	$487,122	Sole Source	Yes	Shika Shakelli, Clinical Engineering	0%	N/A	N/A
S6		Expense	Mod #2 Add Funds and Extend Radiographic Reads through May 31, 2024	Flex Telerad	8/1/2020 - 5/31/2024	$465,415	$740,415	Sole Source Modification	Yes, for the current fiscal year. Additional year's costs will be budgeted in the appropriate fiscal year budgets.	Tina Hill & Vivian Johnson, Jail Health & Radiology	0%	N/A	N/A
S7		Expense	Online Rewards and Recognition Program, Software & Services	Whapps, LLC dba Workproud	1/1/2024 - 12/31/2026	$302,400	$302,400	Sole Source	Yes	Dr. Shauntee Mayfield, Office of Talent Management	0%	N/A	N/A
S8		Expense	Mod #4 Add Funds Only - Inpatient/Outpatient Hospice Services	Grace Presbyterian Ministries dba Faith Presbyterian Hospice	4/17/2020 - 4/16/2024	$190,000	$760,000	Sole Source Modification	Yes, for the current fiscal year. Additional years costs will be budgeted in the appropriate fiscal year budgets.	Lisa Cross, Care Management	100%	African American	Female