

Minutes

**Maricopa County Special Health Care District
Board of Directors Meeting
Virginia G. Piper Charitable Trust Pavilion
2609 East Roosevelt Street, Phoenix, Arizona 85008
3rd Floor, Board Room
April 22, 2026, 1:00 p.m.**

Present: Virginia L. Korte, Chairman, District 2
Earl V. Wilcox, Vice Chairman, District 5
Martin C. Demos, Director, District 1
J. Woodfin Thomas, Director, District 4

Others Present: Steve Purves, FACHE, President & Chief Executive Officer
Michael D. White, MD, MBA, Executive Vice President, Chief Clinical Officer
Claire Agnew, CPA, MBA, Executive Vice President, Chief Financial Officer
Warren Whitney, MBA, Executive Vice President, Chief Administrative
Officer
Ijana Harris, JD, Executive Vice President, Chief Legal Officer
Beth Beckman, DNP, MSN, BSN, Senior Vice President, Chief Nursing
Officer
Alexzandra Hollingworth, MD, Chief of Staff

**Guest Presenters/
Speakers:** Josh Richards, Principal, Plante Moran
Oliver Jurkovic, Partner, Plante Moran
Chip Wise, Enterprise Partnership Principal, Vizient
Anna Lotakov, Service Delivery Executive, Vizient
John MacDonald, Policy AZ, LLC
Matthew Meier, MBA, Vice President, Financial Services
Deb Sunman, SPHR, MSHR, Senior Vice President, Chief Human
Resources Officer

Recorded by: Melanie Talbot, Chief Governance Officer; and Clerk of the Board
Cynthia Cornejo, Senior Deputy Clerk of the Board

Call to Order:

Chairman Korte called the meeting to order at 12:59 p.m.

Roll Call

Ms. Talbot called roll. Following roll call, she noted all four voting members of the Maricopa County Special Health Care District Board of Directors were present, which represented a quorum.

Pledge of Allegiance

Vice Chairman Wilcox led the Pledge of Allegiance.

Call to the Public

Chairman Korte called for public comment. There were no comments.

**Maricopa County Special Health Care District Board of Directors
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Mission Statement

Director Thomas read the Mission Statement aloud.

General Session, Presentation, Discussion and Action:

1. Approval of Consent Agenda:
 - a. Minutes:
 - i. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated March 23, 2026
 - ii. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated March 30, 2026
 - b. Contracts:
 - i. Approve amendment #1 to the intergovernmental agreement (90-25-317-1-01) between Arizona Health Care Cost Containment System (AHCCCS) and Maricopa County Special Health Care District dba Valleywise Health, to provide AHCCCS with additional Non-Federal Share of funds in the amount of \$1,793,988.07 in order to receive supplemental Medicaid Disproportionate Share Hospital (DSH) payments for the benefit of Abrazo Central and West campuses. Between the additional Federal Match of \$3,527,780.16 and Valleywise Health's additional Non-Federal Share contribution of \$1,793,988.07, Abrazo will receive an additional allocation of \$5,321,768.23 for a total allocation of \$15,615,130.91 for services rendered from October 1, 2023, through September 30, 2024
 - ii. Approve amendment #1 (MCO-25-012-01) to the Hospital Subcontract Services agreement between United HealthCare and Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive healthcare services
 - iii. Approve amendment #4 (90-14-063-1-04) to the Hospital Participation Agreement between Banner University Health Plans and Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive healthcare services
 - iv. Approve amendment #6 (90-14-062-1-06) to the Professional Participation Agreement between Banner University Health Plans and Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive healthcare services
 - v. Approve amendment #83 to the contract (480-90-18-012-83) between Kitchell Contractors, Inc. of Arizona, Construction Manager at Risk (CMAR), and Maricopa County Special Health Care District dba Valleywise Health, for prime contract change orders (PCCO) 007, 003, 004, and 001 for a total cost of \$1,188,811
 - vi. Approve amendment #7 to the contract (90-17-083-1-07) between Progressive Management Systems and Maricopa County Special Health Care District dba Valleywise Health, for collection services

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General Session, Presentation, Discussion and Action, cont.:

1. Approval of Consent Agenda, cont.
 - b. Contracts, cont.:
 - vii. Approve a new agreement (MCO-26-004-MSA) between Dignity Health and Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive medical services
 - c. Governance:
 - i. Approve Board Resolution No. 2026-4-22-001, calling an election to be held on November 3, 2026, for two (2) vacancies of the Board of Directors of the Maricopa County Special Health Care District caused by expiring terms for District Seats 3 and 4
 - ii. Approve the application of Steven Pettigrew for appointment to the Valleywise Community Health Centers Governing Council
 - iii. Approve the application of Maria Mancinas for appointment to the Valleywise Community Health Centers Governing Council
 - iv. Approve Board Policy Statement 99022 G – Finance - External Communications Relating to District Rate, Charge and Discount Setting Processes
 - v. Approve registration fee and mileage not to exceed rates allowable under applicable District practices and policies for Director Thomas to attend Arizona Public Health Association’s From Crisis to Care: Improving Outcomes in Arizona’s Behavioral Health System Conference, on May 1, 2026, in Phoenix, Arizona
 - d. Medical Staff:
 - i. Approve Valleywise Health’s Advanced Practice Clinician/Allied Health Professional Staff credentials for April 2026
 - ii. Approve revisions to the Registered Dietician Delineation of Privileges and Practice Prerogatives
 - iii. Approve revisions to the Department of Family and Community Medicine Delineation of Privileges
 - iv. Approve revisions to Department of Pediatrics (Emergency Medicine) Delineation of Privileges
 - v. Approve revisions to the Department of Psychiatry Delineation of Privileges
 - e. Capital:
 - i. Approve Capital Expenditure Request (CER) #26-467 for network buildout at a secondary data center (DC02) for a cost of \$1,800,000 for fiscal year 2026

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General Session, Presentation, Discussion and Action, cont.:

1. Approval of Consent Agenda, cont.

MOTION: Director Thomas moved to approve the consent agenda. Vice Chairman Wilcox seconded.

VOTE: 4 Ayes: Chairman Korte, Vice Chairman Wilcox, Director Demos, Director Thomas
0 Nays
Motion passed.

2. Discuss, Review, and Accept the Maricopa County Special Health Care District, dba Valleywise Health, Uniform Guidance (UG) Audit for Fiscal Year Ending June 30, 2025

Mr. Richards presented the results of the Uniform Guidance (UG) audit for fiscal year ending June 30, 2025, which audited the organization's compliance with federal grant expenditures. He reported that there were no material deficiencies and highlighted that the total awards received in FY 2025 were approximately \$20 million less from the prior year, due to conclusion of COVID-related grant funding. All other grant programs remained consistent, year over year.

He indicated that the organization exceeded the \$801,180 threshold, therefore, was not qualified as a low-risk auditee, resulting in at least 40% of the awards were tested. It was reiterated that there were no findings.

MOTION: Director Thomas moved to accept the Maricopa County Special Health Care District, dba, Valleywise Health, Uniform Guidance (UG) Audit for fiscal year ending June 30, 2025. Vice Chairman Wilcox seconded.

VOTE: 4 Ayes: Chairman Korte, Vice Chairman Wilcox, Director Demos, Director Thomas
0 Nays
Motion passed.

3. Discuss and Review External Audit Planning Process for Fiscal Year Ending June 30, 2026

Mr. Jurkovic outlined the external audit process for fiscal-year ending June 30, 2026, including the timeline and listing the required communication. The audit had begun, the year-end testing was scheduled to be completed in August 2026, and the Board would be presented with the results in November 2026. The UG audit would be conducted simultaneously and was scheduled to be completed by December 2026.

The scope of the audit was reviewed, noting that the audit would be completed under Generally Accepted Government Auditing Standards (GAO). He stated that Plante Moran would collaborate with Valleywise Health staff to compile data to prepare the audit of the financial statements to ensure there were no misstatements. He restated the purpose of the UG audit was to ensure the federal grant awards were spent correctly.

He highlighted the significant risks areas for the audit, including but not limited to management's override of controls, revenue recognition, pension benefits, and other significant transactions. Other key areas of consideration were the safety net funding programs, debt and new bond financing, property tax receipts, and the adoption of new Governmental Accounting Standards Board (GASB) standards.

Mr. Jurkovic explained the preliminary planning and testing process, which was performed retrospectively, included substantive analytical procedures, and evaluated methodologies and assumptions. The auditors were responsible to express an opinion based on those tests and management was responsible for the financial statements and establishing controls. He listed the required communications that would be included in the audit, noting a peer review letter was provided, noting no deficiencies with auditor's practices.

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General Session, Presentation, Discussion and Action, cont.:

3. Discuss and Review External Audit Planning Process for Fiscal Year Ending June 30, 2026, cont.

Chairman Korte asked when the next presentation would take place.

Mr. Jurkovic reiterated that the audit of the financial statements was scheduled to be presented to the Board in November 2026, however, if a significant concern was identified, the Board would be notified sooner.

4. Vizient Overview for Valleywise Health

Mr. Wise provided a brief overview of Vizient, which served as Valleywise Health's Group Purchasing Organization (GPO), provided performance and quality improvement consultation. He announced Vizient's mission and focus to create a partnership with America's Essential Hospitals (AEH) and safety net hospitals nationwide. That partnership was key in creating a clinical database to help improve results and develop tools to improve labor productivity, all of which assisted hospital proactively address healthcare challenges.

Ms. Lotakov outlined the quality and accountability scorecard utilized amongst hospitals nationwide, noting that similar hospitals were benchmarked against each other to ensure meaningful improvement in outcomes. Each participating hospital received quarterly reports, including areas for improvement.

The operational database focused on staffing and the cost compared to quality and identified cost reduction opportunities. She explained the four-phase approach to achieve high performance: foundation, structure, activation, and optimization.

Mr. Wise mentioned the Vizient was working closely with Ms. Beckman on the nurse residency program for new nurse graduates to ensure a smooth transition to practice.

Chairman Korte requested additional information on the details of the nurse residency program.

Ms. Beckman noted a national trend of new nurse graduates failing, however, the 12-month nurse residency program aimed to assist nurses succeed in the profession by working with a preceptor. The program was nationally benchmarked and resulted in a lower turnover rate and higher job satisfaction.

5. Discussion and Possible Action on Valleywise Health's 2026 Legislative Agenda and/or the Maricopa County Special Health Care District's position regarding proposed State and Federal Legislative Items

Mr. MacDonald reviewed the statistics of the current legislative session, which had been in session for 101 days, noting that only budget bills would be heard and voted on. The Governor announced that she would veto all bills until the budget negotiations began.

He outlined the bills that were being tracked, highlighting Senate Bill (SB) 1113, service of process, which had passed the House on the third read, and would go back to the Senate, however, it was unlikely the bill would continue through the process. He mentioned House Concurrent Resolution (HCR) 2056, a proposed constitutional ballot measure that would prevent a public entity from mandating vaccines and masks, did not require the Governor's signature to appear on the November 2026 General Election ballot.

Mr. MacDonald provided an overview of the federal issues, stating Mr. Fronske was currently in Washington, D.C, and was working with the congressional delegation to garner support for an emergency funding pathway to address essential workforce needs of hospitals and continued to advocate for essential hospital designation, 340B funding, and protection against hospital site-neutral payment cut proposals.

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General Session, Presentation, Discussion and Action, cont.:

6. Discuss and Review Preliminary Patient Volumes and Capital Targets for Fiscal Year 2027

Mr. Meier provided an overview of the preliminary patient volumes for the fiscal year (FY) 2027 budget. There were projected increases in total admissions, patient days, and outpatient visits, particularly outpatient behavioral health visits. Emergency department visits were projected to slightly decrease.

Director Thomas asked if the increases in visits were attributed to the increase in providers.

Mr. Meier confirmed the increase in providers was a contributing factor, especially within outpatient services. He stated that there were also projected increases in surgeries, endoscopy procedures, at Valleywise Health Medical Center and Valleywise Comprehensive Health Center-Peoria, noting that deliveries were projected to decline by 4.9% in the upcoming year.

Chairman Korte commented that the decline in deliveries followed the national trend.

Mr. Meier stated the capital budget was preliminarily budgeted for \$32 million.

Chairman Korte noted the decline in emergency department visits and asked in the projects outlined in Proposition 409 was aid in increasing visits.

Dr. White explained that Proposition 409 aimed to expand observation beds and complete the 10th floor, which would result in increased capacity and improve patient throughput.

7. Discuss and Review Employee Benefits; Authorize Staff to Negotiate Contracts and Bring Back for Board Approval

Ms. Sunman outlined the upcoming changes to the employee benefits program for FY 2027, including the overarching philosophy of focusing on the whole person while remaining competitive, affordable, sustainable, and responsive to the workforce needs. The total program was projected to increase by 3.1%, and she summarized the methodology of cost-sharing with the employees, noting there were minimal increases in dental or vision premiums.

Director Demos inquired about the participation rate for each benefit plan offered to employees.

Ms. Sunman stated that there were approximately 3,000 lives covered, with nearly equal participation in each of the medical plans offered.

She explained the organization was self-insured and the expenses were claim-driven. She outlined the benefit coverage recommendations, noting the pharmacy benefits would transition from Optum to RxBenefits. She announced that the Board just approved a contract with Dignity Health, which would allow Valleywise Health employees to use their providers at the Tier 1 benefit level.

She highlighted the ongoing effort to improve the employee wellness program and increase participation, which encouraged preventative care and reduce high-cost claims over time. Staff would continue to negotiate employee benefit contracts and bring back to the Board for approval.

MOTION: Director Thomas moved to authorize staff to negotiate employee benefit contracts and bring back for Board approval. Vice Chairman Wilcox seconded.

VOTE: 4 Ayes: Chairman Korte, Vice Chairman Wilcox, Director Demos, Director Thomas
0 Nays
Motion passed.

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General Session, Presentation, Discussion and Action, cont.:

8. Reports to the Board of Directors:
 - a. Semi-annual Marketing and Communications Report
 - b. Annual District-Wide Risk Management Program Report

There were no questions or comments related to the reports.

9. Closing Comments
 - a. Chairman and Board Members
 - b. President and Chief Executive Officer Summary of Current Events

Chairman Korte announced that she attended the 2026 American Hospital Association's (AHA) Annual meeting in Washington, D.C. There were strong discussions related to protecting healthcare access, affordability, and the workforce.

Director Thomas noted that he attended the Beds and Breakfast event, sponsored by Central Arizona Shelter Services (CASS) and expressed his appreciation for the partnership Valleywise Health had with the organization.

Mr. Purves stated that he also attended the AHA Annual meeting, noting the association was also focused on protecting the 340B program.

He mentioned that Valleywise Health Emergency Department was honored by Phoenix Fire Department as Partner of the Year due to the ice water emersion efforts to address heat stroke.

He congratulated Ms. Harris, who was named In-House Attorney of the Year in the healthcare sector at the 2026 Excellence in Law Awards, presented by *AZ Big Media*. Ms. Paige Pataky, Assistant General Counsel, was also recognized as a finalist for the award.

Mr. Purves introduced Ms. Sarah Nelson, Assistant General Counsel, and Ms. Connie Roberts-Sable, Director of Contracts Administration, who recently joined Valleywise Health.

He acknowledged Administrative Professional's Day and thanked all the administrative professionals throughout the organization.

MOTION: Director Thomas moved to recess general session and convene in executive session at 2:21 p.m. Vice Chairman Wilcox seconded.

VOTE: 4 Ayes: Chairman Korte, Vice Chairman Wilcox, Director Demos, Director Thomas
0 Nays
Motion passed.

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General Session, Presentation, Discussion and Action:

Chairman Korte reconvened general session at 4:43 p.m.

10. Approve Valleywise Health's Medical Staff credentials for April 2026

MOTION: Director Demos moved to approve Valleywise Health's Medical Staff credentials for April 2026. Director Thomas seconded.

VOTE: 4 Ayes: Chairman Korte, Vice Chairman Wilcox, Director Demos, Director Thomas
0 Nays
Motion passed.

Adjourn

MOTION: Director Thomas moved to adjourn the April 22, 2026 Maricopa County Special Health Care District Board of Directors General and Executive Session meeting. Vice Chairman Wilcox seconded.

VOTE: 4 Ayes: Chairman Korte, Vice Chairman Wilcox, Director Demos, Director Thomas
0 Nays
Motion passed

Meeting adjourned at 4:47 p.m.

Virginia L. Korte, Chairman
Maricopa County Special Health Care District
Board of Directors