

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
February 25, 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
Barbara R. Mundell, Director, District 3
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
Lia Christiansen, MBC, 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:** John MacDonald, Policy AZ, LLC
Crystal Garcia, MBA/HCM, RN, Vice President, Specialty Services, Quality
and Patient Safety
Jori Davis, MBA, Vice President, Support Services

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 1:00 p.m.

Roll Call

Ms. Talbot called roll. Following roll call, she noted all five 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.

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Mission Statement

Director Demos 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 January 26, 2026
 - ii. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated January 28, 2026
 - b. Contracts:
 - i. Approve a new facility participation agreement (MCO-26-003-MSA) between UnitedHealthcare Community Plan and Maricopa County Special Health Care District dba Valleywise Health, for the provision of comprehensive healthcare services
 - ii. Approve Amended and Restated Statement of Work #1 - Hospital Based Services, for Master Services Agreement (90-26-172-1) between Maricopa County Special Health Care District dba Valleywise Health, and District Medical Group, effective March 1, 2026
 - iii. Approve a new lease agreement (90-26-078-1) between District Medical Group (DMG) and Maricopa County Special Health Care District dba Valleywise Health, for all office space occupied by DMG in Valleywise Health locations
 - c. Governance:
 - i. Approve Valleywise Health Foundation's donor recognition requests
 - ii. Approve the appointment of Tina Babenko as Valleywise Health's Chief Compliance Officer, effective February 23, 2026
 - iii. Approve the appointment of Warren Whitney as Valleywise Health's Executive Vice President and Chief Administrative Officer, effective March 2, 2026
 - iv. Approve revisions to Policy # 06503 S, HRSA Legislative Mandate Compliance Policy
 - v. Approve Policy # 01768 S, HRSA Hyde Amendment Policy
 - vi. Approve a no objection letter to the proposed property tax reclassification of real and personal property of DSV, Inc., and Proposed Usage-Driven Site Foreign Trade Zone Designation

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

1. Approval of Consent Agenda, cont.
 - d. Medical Staff:
 - i. Approve Valleywise Health’s Medical Staff credentials for February 2026
 - ii. Approve Valleywise Health’s Advanced Practice Clinician/Allied Health Professional Staff credentials for February 2026
 - iii. Approve revisions to the Medical Staff Credentials Policy (#39020 T)
 - iv. Approve revisions to the Operational Credentialing Policy (#39026 T)
 - v. Approve revisions to Global Laser Privileges
 - vi. Approve revisions to Department of OB/GYN and Women’s Health Privileges
 - vii. Approve Department of Surgery – Physical Medicine & Rehabilitation Privileges
 - viii. Approve revisions to Department of Surgery – General Surgery/Trauma Surgery Nurse Practitioner Privileges and Practice Prerogatives
 - e. Capital:
 - i. Intentionally Left Blank

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

VOTE: 5 Ayes: Chairman Korte, Vice Chairman Wilcox, Director Demos, Director Mundell,
Director Thomas
0 Nays
Motion passed.

2. Discuss Future Board of Directors Retreat

Ms. Talbot requested feedback from the Board members related to holding a Board retreat. If it was determined that a retreat was wanted, she would gather input on discussion topics, timing, and the desired outcome of such event.

There was a consensus that a Board retreat would be welcomed.

In addition to discussing Board governance, Director Demos said that the retreat may allow the Board members to learn more about each other, highlight individual strengths and use that information to move forward more cohesively. He also requested time to submit additional topics at a later time.

Director Mundell asked for an opportunity to discuss Board bylaws, to gain a better understanding and focus on their purpose. She also wanted a discussion on Board orientation, to solidify the training, including ethics, and review information provided to new members, and to learn more about Board member and staff responsibilities.

Director Thomas questioned how six sigma could be utilized to improve operational practices and be more efficient.

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

2. Discuss Future Board of Directors Retreat, cont.

Vice Chairman Wilcox expressed an interest in discussing the future construction projects, particularly the timeline. He would also like to identify opportunities to be more inclusive and align administrative and front-line staff to be more reflective of the patients and constituency served.

Chairman Korte summarized the discussion topics recommended by the Board. While she understood the need to review the strategic plan, however, it may be more appropriate to wait until a new Chief Executive Officer (CEO) had begun to update the strategic plan.

She recommended that the Board retreat focus on governance, highlighting the value of the Board gaining a better understanding of each other and suggested the Board members complete a questionnaire and self-evaluation prior to the retreat.

Due to the ongoing search for a new CEO and other Board priorities, it was decided that the retreat should occur within the next few months, and the need to have a facilitator.

Director Demos agreed to participate in the planning process.

3. 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 45 days and over 2,000 bills had been posted, four bills had passed, and two bills were vetoed by the Governor. He outlined the legislative deadlines, stating the session continued until a budget was passed. There had been no public discussion regarding the budget process.

He outlined the bills that were monitored by staff and those that were sent to staff for comment, including Senate Bill (SB) 1113, which would allow for service of process to be accomplished by the evaluation agency, such as Valleywise Health. Staff worked with the sponsor of the bill to allow the evaluation agencies to recover costs associated with the service of process.

Director Mundell requested clarification on the types of service of process the bill would allow.

Mr. MacDonald clarified that the bill was specific behavioral health court ordered evaluation and court ordered treatment.

Dr. White provided an overview of how the bill would streamline behavioral health operations.

Chairman Korte questioned if there would be additional liability on the organization.

Ms. Harris said the specific impacts on the organization could be discussed in executive session. She reiterated the bill would allow Valleywise Health employees to serve specific documents pertaining to court ordered evaluation and court ordered treatment.

Director Thomas asked if employees would receive proper training to be process servers.

Dr. White commented that training would be ongoing.

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

3. 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, cont.

Mr. MacDonald explained House Concurrent Resolution (HCR) 2056, a proposed constitutional ballot measure that would prevent a public entity from mandating vaccines and masks. This measure would cause numerous complications to the organization and staff was working with the bill sponsor to amend the resolution to exclude Valleywise Health, as a public entity. Until an amendment was added, he requested the ability to oppose the resolution.

He provided an overview of House Bill (HB) 2404, which had new language inserted to prohibit a peace officer from conducting a transport of behavioral health patients from one evaluation agency to another.

Director Mundell asked what specific problem the bill aimed to address.

Mr. MacDonald was unsure and speculated that it may be a cost issue, based on testimony given. He noted there was an exemption in the bill that would allow for peace officer transport if the person was a danger to themselves or others.

Director Mundell questioned who would make that determination.

Mr. MacDonald did not know but assumed that it may be up to the medical director to make the determination.

He provided an overview of the federal issues, noting that staff continued to work with the congressional delegation to restore Medicaid cuts and advocate for essential hospital designation.

MOTION: Director Thomas moved to authorize staff to support Senate Bill 1113, service of process; evaluation agencies, if amended, and oppose HCR 2056, medical mandates, rights to refuse, and House Bill 2404, strike everything amendment NOW mental health patient transport; peace officer prohibited. Vice Chairman Wilcox seconded.

VOTE: 5 Ayes: Chairman Korte, Vice Chairman Wilcox, Director Demos, Director Mundell, Director Thomas
0 Nays
Motion passed.

4. Discuss, Review and Approve Resolution No. 2026-2-25-001, Declaration of Official Intent to Reimburse Expenditures with Proceeds of General Obligation Bonds, authorizing the District to reimburse itself from future general obligation bond proceeds for capital project costs incurred before the bonds are issued

Ms. Agnew explained that the resolution would allow the organization to be reimbursed by future general obligation bond proceeds for appropriate and reasonable expenses related to the planning for Proposition 409 projects that were incurred prior to that issuance.

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

4. Discuss, Review and Approve Resolution No. 2026-2-25-001, Declaration of Official Intent to Reimburse Expenditures with Proceeds of General Obligation Bonds, authorizing the District to reimburse itself from future general obligation bond proceeds for capital project costs incurred before the bonds are issued, cont.

MOTION: Director Thomas moved to approve Resolution No. 2026-2-25-001, a declaration of official intent to reimburse expenditures with proceeds of general obligation bonds, authorizing the District to reimburse itself from future general obligation bond proceeds for capital project costs incurred before the bonds were issued. Vice Chairman Wilcox seconded.

VOTE: 5 Ayes: Chairman Korte, Vice Chairman Wilcox, Director Demos, Director Mundell,
Director Thomas

0 Nays

Motion passed.

5. Discuss, Review and Approve Resolution No. 2026-2-25-002, Authorizing and Providing for the Optional Redemption of All or a Portion of the Maricopa County Special Health Care District Tax Anticipation Note, Series 2025, authorizing early optional redemption of all or part of the District's 2025 Tax Anticipation Note to reduce interest costs and efficiently use pledged tax levy proceeds

Ms. Agnew noted that Tax Anticipated Notes were issued to pay the liability allocated to Maricopa County Special Health Care District (District) for the judgement in Qasimyar vs. Maricopa County. The proposed resolution would enable the District to exercise the option for early redemption to reduce interest expenses.

Director Demos asked how that option would be beneficial to the organization.

Ms. Agnew reiterated that the early redemption would reduce interest expenses and would be in the best interest of taxpayers.

MOTION: Director Demos moved to approve Resolution No. 2026-2-25-002, authorizing and providing for the optional redemption of all or a portion of the Maricopa County Special Health Care District Tax Anticipation Note, Series 2025, authorizing early optional redemption of all or part of the District's 2025 Tax Anticipation Note to reduce interest costs and efficiently use pledged tax levy proceeds. Vice Chairman Wilcox seconded.

VOTE: 5 Ayes: Chairman Korte, Vice Chairman Wilcox, Director Demos, Director Mundell,
Director Thomas

0 Nays

Motion passed

6. Discuss and Review Valleywise Health's January 2026 Financials and Statistical Information

Ms. Agnew reviewed statistical information for January 2026, noting acute admissions met budget while behavioral health admission missed budget due to a number of units being quarantined. Emergency department visits did not meet budget, and she explained that the budget was developed using prior year volumes and there were higher rates of respiratory illnesses presenting in the emergency departments in prior years. Ambulatory visits also missed budget for the month. On a year-to-date basis, total admissions and ambulatory visits were better than budget, while emergency department visits were not meeting budget. The payer mix was close to budget.

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

6. Discuss and Review Valleywise Health's January 2026 Financials and Statistical Information, cont.

Ms. Agnew provided an overview of the financial statement for January 2026, highlighting the 26% positive variance in other revenue, which was due to an increase in the Safety Net Services Initiative (SNSI) funds received. Total operating expenses were at budget; however, total non-operating expenses had a negative \$3,270,015 variance. The normalized net assets, excluding bond related expenses, increased by \$10,205,551, compared to a budgeted loss of \$748,693, for a positive variance of \$10,954,244.

On a year-to-date basis, total operating revenue was 9.8% better than budget and total operating expenses were 0.6% better than budget. Ms. Agnew provided explanations for both positive and negative operating expense variances and highlighted the substantial decrease in contract labor expenses and recognized Ms. Beckman and her team for their ongoing efforts.

Director Thomas applauded the effort, which had continuously decreased over the past several years.

Ms. Agnew reviewed non-operating income and expenses, including grant funding, non-capital transfers from local government and tax levy dollars. The normalized net assets increased by \$53,762,705, compared to a budgeted decrease of \$2,724,419, resulting in a positive variance of \$56,487,124. There were 121.9 days of cash on hand and 61.7 days in accounts receivable.

Ms. Agnew provided details on patient volumes, mentioning surgeries, endoscopy procedures and deliveries were performing better than budget on a year-to-date basis.

7. Discuss and Review the Quarterly Quality Report and Metrics Dashboard, including but not limited to Patient Safety and Patient Experience Scores

Ms. Garcia outlined the results of the quality metrics for the second quarter of fiscal year (FY) 2026, noting that many of the quality metrics met the established benchmarks. She discussed the metrics that did not meet the quarterly benchmark, patient safety indicator (PSI)-03, pressure ulcer rate, and PSI-04 death among surgical patients with serious treatable complications, and explained the plans to improve the results. Specifically, to improve PSI-03 an active workgroup was implementing several processes, including but not limited to reviewing each case and having additional wound care staff. She provided examples of patient outcomes that contributed to the metric for PSI-04, stating that staff would continue to monitor and address any identified trends.

The infection control metrics were reviewed, noting hand hygiene compliance and surgical site infection – colon surgery rates did not meet the established benchmarks for the second quarter of FY 2026. She mentioned the surgical site infection- colon surgery rate had improved from prior quarters, however, multidisciplinary teams continued to review each case and seek opportunities for ongoing improvement. There was also an active program to educate staff on the importance of hand hygiene compliance to reduce hospital acquired infection, with the expectation that the additional training would improve the results.

Ms. Garcia provided an overview of the Hospital Consumer Assessment of Healthcare Provides and Systems (HCAHPS) survey received between December 2024 and December 2025, noting the organization was within the 94th percentile among safety net hospitals. She outlined the patient experience results for the Federally Qualified Health Centers (FQHCs) and specialty clinics, highlighted areas for improvement, and outlined the action plans in place to improve the results.

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

8. Discuss Roosevelt Campus Demolition Project Update

Ms. Davis provided an update on the progress of the demolition project occurring on the Roosevelt campus. She noted the project was on budget and on schedule, with the expected completion date of August 2026.

The remaining tasks included the completion of the canopy replacement, parking lot improvements near the helipad, and finalizing the site grading and parking in the space that was previously occupied by the legacy hospital. Photos and a video were showcased to highlight the progress made thus far.

9. Reports to the Board of Directors:

- a. Quarterly Quality Management Council Meeting Minutes (November 2025)

There were no questions or comments related to the reports.

10. Closing Comments

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

Chairman Korte provided an update on the Chief Executive Officer (CEO) succession plan, stating that a national search firm was hired and the Board would be working on a timeline to make a selection by August 2026.

Mr. Purves announced that Ms. Stephanie Hines, Chief Information Officer (CIO), had been recognized by *Becker's Healthcare Review*, for her work in technology and digital services. Mr. Warren Whitney had been promoted to Chief Administrative Officer (CAO), following Ms. Christiansen's retirement.

He recently presented how Valleywise Health transformed from a safety-net care system that faced major financial issues to a state-of-the-art patient-centric hospital that was financially viable to over 500 healthcare leaders. He highlighted the various strategies and partnerships that paved the way to success and stressed the importance of philanthropy.

He welcomed Ms. Tina Babenko, the new Chief Compliance Officer (CCO) and highlighted her accomplishments.

He thanked Ms. Christiansen's five years of service and presented her with a gift.

Chairman Korte expressed her appreciation to Ms. Christiansen for all that she had done for the organization.

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Adjourn

MOTION: Director Thomas moved to adjourn the February 25, 2026 Maricopa County Special Health Care District Board of Directors General Session meeting. Vice Chairman Wilcox seconded.

VOTE: 5 Ayes: Chairman Korte, Vice Chairman Wilcox, Director Demos, Director Mundell,
Director Thomas
0 Nays
Motion passed

Meeting adjourned at 2:44 p.m.

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