

<b>Minutes</b>
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<p><b>Maricopa County Special Health Care District Board of Directors Meeting Virginia G. Piper Charitable Trust Pavilion 2609 East Roosevelt Street, Phoenix, Arizona 85008 3<sup>rd</sup> Floor, Board Room April 23, 2025, 3:00 p.m.</b></p>
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**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, Senior Vice President, General Counsel

**Guest Presenters/  
Speakers:** Crystal Garcia, MBA/HCM, RN, Vice President, Specialty Services, Quality Patient Safety  
Gene Cavallo, MC, LPC, Senior Vice President, Behavioral Health Services  
Martha Steiner, MSN-L, RN, Vice President, Behavioral Health Nursing and Clinical Care  
Michael Fronske, Legislative and Governmental Affairs Director  
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 3:00 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**

Director Thomas led the Pledge of Allegiance.

**Call to the Public**

Chairman Korte called for public comment. There were none.

**Maricopa County Special Health Care District Board of Directors  
Meeting Minutes – General Session – April 23, 2025 – 3:00 p.m.**

**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 March 25, 2025
- ii. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated March 26, 2025

b. Contracts:

- i. Approve an agreement (90-25-060-1) between Bandara Healthcare LLC and Maricopa County Special Health Care District dba Valleywise Health
- ii. Approve a new agreement (90-25-294-1) between HyBridge Solutions, Inc and Maricopa County Special Health Care District dba Valleywise Health
- iii. Approve a new intergovernmental agreement (90-25-246-1) between The City of Phoenix, for and on behalf of the Phoenix Fire Department and Maricopa County Special Health Care District dba Valleywise Health for a FEMA Pharmaceutical Cache Program
- iv. Approve a new cooperative purchasing agreement (90-25-292-1) between ECD Systems Inc. and Maricopa County Special Health Care District dba Valleywise Health for Facility Electronic Systems
- v. Approve a new order form (90-11-198-1) between UKG Inc. and Maricopa County Special Health Care District dba Valleywise Health for the Pro Workforce Management Software
- vi. Approve a new cooperative purchasing agreement (90-25-268-1) between Cook's Direct and Maricopa County Special Health Care District dba Valleywise Health for commercial kitchen equipment & smallwares

c. Governance:

- i. Approve affidavit appointing Kyle Greer, MD as Deputy Medical Director in the Department of Psychiatry
- ii. Approve a no objection letter to the proposed property tax reclassification of real and personal property of MGC Pure Chemicals America, Inc, and proposed Foreign Trade Zone Usage Driven Site
- iii. Approve a no objection letter to the proposed property tax reclassification of real and personal property of Apple Inc, and proposed Foreign Trade Zone Expansion
- iv. Approve Amended and Restated Maricopa County Special Health Care District's Valleywise Community Health Centers Governing Council's Bylaws

**Maricopa County Special Health Care District Board of Directors  
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**General Session, Presentation, Discussion and Action, cont.:**

1. Approval of Consent Agenda, cont.

c. Governance, cont.:

- v. Approve the application of Piedad Blake for appointment to the Valleywise Community Health Centers Governing Council
- vi. Approve single case agreement for Medicaid claims from Hawaii Medical Service Association (HMSA) for patient with medical record number ending in #1202 valid for claim with date of service beginning January 4, 2025 through March 3, 2025

d. Medical Staff:

- i. Approve Valleywise Health's Medical Staff credentials for April 2025
- ii. Approve Valleywise Health's Advanced Practice Clinician/Allied Health Professional Staff credentials for April 2025
- iii. Approve revisions to the Department of Internal Medicine Delineation of Privileges
- iv. Approve revisions to the Department of Internal Medicine- Critical Care Medicine Delineation of Privileges
- v. Approve revisions to Department of Surgery – Pediatric Surgery Delineation of Privileges

e. Care Reimagined Capital:

- i. Intentionally Left Blank

f. Capital:

- i. Approve Capital Expenditure Request (CER) #25-453 to install a north asphalt parking lot at Valleywise Behavioral Health Center - Maryvale for \$985,807.47

Director Demos requested item 1.b.v. be removed from the consent agenda to be discussed and voted on separately.

**MOTION:** Director Demos moved to approve the consent agenda minus item 1.b.v. Vice Chairman Wilcox seconded.

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

**MOTION:** Director Demos moved to approve consent agenda item 1.b.v., a new order form (90-11-198-1) between UKG Inc. and Maricopa County Special Health Care District dba Valleywise Health for the Pro Workforce Management Software. Vice Chairman Wilcox seconded.

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

1. Approval of Consent Agenda, cont.

Director Demos acknowledged the organization's history with Kronos and requested legal advice in executive session.

**MOTION:** Director Demos moved to recess general session and convene in executive session pursuant to A.R.S. § 38-431.03(A)(3) at 3:06 p.m., for the purpose of obtaining legal advice. Vice Chairman Wilcox seconded.

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

0 Nays

**Motion passed.**

**General Session, Presentation, Discussion and Action:**

Chairman Korte reconvened general session at 3:32 p.m.

1. Approval of Consent Agenda, cont.

Chairman Korte reiterated the motion on the floor.

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

0 Nays

**Motion passed.**

2. Discuss and Review Updates and Changes to DNV Standards

Ms. Garcia provided an overview of DNV surveys, noting the different types of surveys conducted and the frequency at which those surveys were done. She explained that DNV had released new standards with the expectation that the new standards be implemented by April 28, 2025.

She outlined each of the new standards and how Valleywise Health staff were addressing and implementing each of those. There were revisions to contracted services, medical staff, medication management, and infection prevention and control program.

Ms. Garcia announced that all DNV standards were available on the organization's intranet, so staff had the information to prepare for upcoming surveys.

3. Update on Behavioral Health Programs and Services at Valleywise Health

Mr. Cavallo provided an update on behavioral health services provided throughout Valleywise Health, noting that 90% of the inpatient behavioral health licensed beds were in use. The final inpatient unit at Valleywise Behavioral Health Center-Maryvale was scheduled to open at partial capacity in May 2025. By July 2026, all licensed beds were scheduled to be operational.

He showcased the three-year trends related to admissions, average daily census, average length of stay, and occupancy rates, which demonstrated the increase in the number of patients treated year over year.

Ms. Steiner reviewed the efforts to improve patient experience. Since transitioning to Press Ganey for patient experience surveys, Valleywise Health now had the ability to benchmark themselves against other organizations with similar involuntary inpatient behavioral health patient population.

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

3. Update on Behavioral Health Programs and Services at Valleywise Health, cont.

Ms. Steiner also outlined the efforts to improve employee engagement, including but not limited to, recognition programs, providing opportunities to promote within the organization, and improve transparency of job environment for new employees to reduce employee turnover.

Mr. Cavallo provided an update on the outpatient behavioral health programs, including the Assertive Community Treatment (ACT) program, the Forensic Assertive Community Treatment (FACT) program, the First Episode Centers, the Mesa Behavioral Health Special Clinic, and Integrated Behavioral Health services. He announced the Medication Assisted Treatment (MAT) program had increased the number of providers and participating locations and had treated over 600 individuals.

4. Discussion and Possible Action on Valleywise Health's 2025 Legislative Agenda and/or the Maricopa County Special Health Care District's position regarding proposed State and Federal legislative items

Mr. Fronske reviewed the statistics of the current legislative session, which had been in session for 101 days, noting 144 bills had passed, with 92 bills signed by the Governor. There had been no change in the budget negotiations and the Governor threatened to veto all bills until the budget issues had been resolved.

He provided an update on the bills that staff were monitoring, including bills that were authorized by the Board to be supported, noting Senate Bill (SB) 1354; evaluation agencies; hearings; witnesses, had been signed by the Governor.

He requested the authority to oppose House Bill (HB) 2945; developmental disabilities; appropriations; waivers, and SB 1734; developmental disabilities; appropriations; waivers, and he explained that the bills contained components that would have negative consequences. He stated that if the bills were amended to remove those components, the opposition would not be registered.

He provided an overview of the federal issues, noting that staff continued to work with the congressional delegation regarding the proposed cuts to Medicaid and Medicare and other issues that would impact the organization.

**MOTION:** Director Thomas moved to authorize staff to oppose House Bill 2945; developmental disabilities; appropriations; waivers, and Senate Bill 1734; developmental disabilities; appropriations; waivers. Director Demos seconded.

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

5. Discuss and Review Preliminary Patient Volumes and Capital Targets for Fiscal Year 2026

Mr. Meier provided an overview of the preliminary patient volumes for the fiscal year (FY) 2026 budget. There were projected increases in total admissions, patient days, and emergency department visits. The outpatient visit increases were linked to the increase in providers, with projected increases in the Community Health Center visits, Comprehensive Health Center visits, dental visits, and visits within the various outpatient behavioral health services. While inpatient and outpatient surgeries were projected to increase, outpatient surgeries at Valleywise Comprehensive Health Center-Peoria were projected to decrease. He noted outpatient endoscopies were projected to increase, while inpatient endoscopies were projected to decrease. He stated the capital budget had not yet been prepared.

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

6. Discuss, Review and Approve Maricopa County Special Health Care District Employee Benefits Program for Fiscal Year 2026

Ms. Sunman outlined the upcoming changes to the employee benefits program for FY 2026, such as the 12.6% projected cost increase. The cost increase was attributed to high-cost claimants and increased specialty pharmacy expenses. She highlighted the cost saving efforts, including increasing the individual stop-loss levels and enhancing pharmacy rebate programs. It was noted that the organization would be responsible for 90% of the program increase and the employee contribution would increase by ten percent.

She reviewed the individual medical and pharmacy plans, noting how each option was impacted by the projected increase. The annual cost for the dental plan was projected to increase by two percent, but there were no cost changes to the vision plan.

Ms. Sunman emphasized that there were no material changes to the comprehensive benefit package offered to employees, however the structure had been revised. When developing the benefits package, staff strategically focused on affordability, improving access to care, and transitioning the benefit plan year from fiscal year to calendar year. Staff also focused on improving employee well-being, promoting self-care, and offering educational sessions.

Open enrollment was scheduled to occur in May 2025, and all employees would have to make their selections prior to the deadline in order to participate in the current plan year.

Director Demos asked if there was evidence that the wellness incentives offered helped lower overall costs.

Ms. Sunman mentioned that the organization partnered with Vitality, a wellness initiative that offered employees an opportunity to save on their bi-weekly contribution.

**MOTION:** Director Demos moved to approve the Maricopa County Special Health Care District employee benefits program for fiscal year 2026. Vice Chairman Wilcox seconded.

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

7. Discussion and Possible Action on the Release of the Board Restriction on the Use of Health Plan Proceeds through June 30, 2025

Ms. Agnew outlined the history of the Board restricted health plan proceeds and requested the release of that restriction through June 30, 2025. She explained that the use of the funds may not be needed, however, she was forecasting the cash flow through the end of the fiscal year, as staff awaited receipt of federal funds.

**MOTION:** Director Thomas moved to approve the release of the Board restriction on the use of the health plan proceeds through June 30, 2025. Director Demos seconded.

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

**Maricopa County Special Health Care District Board of Directors  
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**General Session, Presentation, Discussion and Action, cont.:**

8. Review and Possible Action on the Following Reports to the Board of Directors:
  - a. Quality Management Council Meeting Minutes (February 2025)
  - b. Semi-annual Marketing and Communications Report
  - c. Annual Maricopa County Special Health Care District Wide Risk Management Program Report

There were no questions or comments related to the reports.

9. Closing Comments

Mr. Purves announced that Valleywise Health recently hosted the American Burn Association and toured the Diane & Bruce Halle Arizona Burn Center, showcasing the new state of the art facility.

He also listed Valleywise Health's honors and recognitions received, including Dr. Kevin Foster being honored at the Most Admired Leaders Award Ceremony on May 8, 2025, and Ms. Agnew and himself were named one of *Becker's Healthcare's* Highest Successful Chief Executive Officer/Chief Financial Officer duos.

**Adjourn**

**MOTION:** Director Thomas moved to adjourn the April 23, 2025, Maricopa County Special Health Care District Board of Directors General Session Meeting. Director Demos seconded.

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

Meeting adjourned at 4:46 p.m.

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