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
May 27, 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 Kelly J. Barr, Director, District 3 J. Woodfin Thomas, Director, District 4 *– participated remotely*
Others Present:	Steve Purves, FACHE, President & Chief Executive Officer Michael D. White, MD, MBA, Executive Vice President, Chief Clinical Officer Warren Whitney, MBA, Executive Vice President, Chief Administrative Officer Matthew Meier, MBA, FACHE, Acting Chief Financial 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:	Crystal Garcia, MBA/HCM, RN, Vice President, Specialty Services, Quality and Patient Safety Michael Fronske, Legislative and Governmental Affairs Director
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.

For the benefit of all participants, Ms. Talbot announced the Board member who participated remotely.

Pledge of Allegiance

Director Demos led the Pledge of Allegiance.

Call to the Public

Chairman Korte called for public comment.

Ms. Talbot read the Call to the Public guidelines aloud.

Mr. John Gross, a resident from District 3, addressed the Board and expressed his appreciation for the work done by the Board and Senior Administration. He also conveyed concerns and offered solutions, which he outlined in a report submitted to the Board for review.

Director Barr thanked Mr. Gross for taking the time to share his thoughts on how to improve the organization.

Chairman Korte directed staff to review the report, respond to Mr. Gross and report back to the Board.

Mission Statement

Director Barr 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 April 17, 2026

      ii. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated April 22, 2026

      iii. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated April 23, 2026 – 11:30 a.m.

      iv. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated April 23, 2026 – 1:00 p.m.

   b. Contracts:

      i. Approve an intergovernmental agreement (90-26-248-1) between Arizona Health Care Cost Containment System Administration (AHCCCS) and Maricopa County Special Health Care District dba Valleywise Health, to provide AHCCCS with the Non-Federal Share of funds in the amount of $2,018,902.66 in order to receive supplemental Medicaid Disproportionate Share Hospital (DSH) payments for the benefit of Abrazo Central Campus. Between the Federal Match of $3,731,318.53 and Valleywise Health's Non-Federal Share contribution of $2,018,902.66, Abrazo will receive a total allocation of $5,750,221.19 for services rendered from October 1, 2024, through September 30, 2025

      ii. Approve Amended and Restated Statement of Work #4 - Administrative Services, for Master Services Agreement (90-26-172-4) between District Medical Group and Maricopa County Special Health Care District dba Valleywise Health, effective July 1, 2026

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

1. Approval of Consent Agenda, cont.

   b. Contracts, cont.:

      iii. Approve a new intergovernmental agreement (90-26-265-1) between Arizona Department of Health Services (ADHS) and Maricopa County Special Health Care District, dba Valleywise Health, for the Opt-out Emergency Department HIV Testing program, which supports HIV testing services in Valleywise Health emergency departments and ambulatory clinics

      iv. Approve amendment #84 to the contract (480-90-18-012-84) 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 order (PCCO) 005 for Lot R redesign (GMP series 9)

   c. Governance:

      i. Approve a Change in Scope, Health Resources and Services Administration Form 5B: Delete Site, Valleywise Health Mobile Health Unit

      ii. Approve the application of Wayne Tormala for reappointment to the Valleywise Community Health Centers Governing Council

      iii. Approve the application of Nelly Clotter-Woods for reappointment to the Valleywise Community Health Centers Governing Council

      iv. Approve a no objection letter to the proposed property tax reclassification of real and personal property of Lam Research, and Proposed Usage-Driven Site Foreign Trade Zone Designation

      v. Approve affidavit appointing Ashley Coughlin, MD, as Deputy Medical Director in the Department of Psychiatry

   d. Medical Staff:

      i. Approve Valleywise Health's Medical Staff credentials for May 2026

      ii. Approve Valleywise Health's Advanced Practice Clinician/Allied Health Professional Staff credentials for May 2026

      iii. Approve revisions to Focused Professional Practice Evaluation (FPPE) to Confirm Competence Policy (#31203 T)

      iv. Approve revisions to Operational Credentialing Policy (#39026 T)

   e. Capital:

      i. Approve Capital Expenditure Request (CER) #26-468 to weatherproof and repaint the exterior of Valleywise Behavioral Health Center – Maryvale, for a cost of $1,200,000

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

1. Approval of Consent Agenda, cont.

Director Barr requested item 1.b.ii. be removed from the consent agenda, to be discussed and voted on separately.

Chairman Korte noted item 1d.iii. would be removed from the consent agenda and would not be voted on.

MOTION: Director Demos moved to approve the consent agenda minus 1.b.ii. and 1.d.iii. Vice Chairman Wilcox seconded.

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

Director Barr addressed consent agenda item 1.b.ii., Amended and Restated Statement of Work #4 – Administrative Services, for Master Services Agreement between District Medical Group and Maricopa County Special Health Care District dba Valleywise Health, and asked how much the expenses would increase as a result of the proposed changes.

Dr. White noted that there would be a 4.58% increase over prior year.

Director Barr questioned whether all physicians performing administrative duties would receive a 4.58% increase.

Dr. White said that the increases were specialty specific and were based on national benchmarks. He explained administrative hours were invoiced and paid based on actual hours worked, however, the budget was based on the maximum allowable hours.

Director Barr asked if the increases provided were based on performance of the physician.

Dr. White stated that the amount paid was based on the number of hours worked.

MOTION: Director Barr moved to approve consent agenda item 1.b.ii., Amended and Restated Statement of Work #4 - Administrative Services, for Master Services Agreement (90-26-172-4) between District Medical Group and Maricopa County Special Health Care District dba Valleywise Health, effective July 1, 2026. Vice Chairman Wilcox seconded.

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

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

2. 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 third quarter of fiscal year (FY) 2026, noting that many of the metrics met the established benchmarks. She discussed the metrics that did not meet the benchmarks and the action plans in place to improve the results. Specifically, a workgroup had been developed to address hospital acquired pressure injury (HAPI), or patient safety indicator (PSI)-03, and resulted in significant improvement in March 2026. There were ongoing efforts to ensure continued improvement in the metric.

She reviewed the infection control metrics, noting hand hygiene compliance and surgical site infection-colon surgery rates did not meet the established benchmarks for the third quarter of FY 2026. She mentioned a new education campaign to improve hand hygiene compliance to improve the results.

She noted the Vizient data contained data from the first six months of the fiscal year and compared Valleywise Health to other organizations and highlighted areas of opportunity to improve and key drivers for those improvements, including but not limited to, post-operative sepsis, pressure ulcers, catheter associated urinary tract infections (CAUTI), and cleanliness.

Ms. Garcia reviewed the inpatient Hospital Consumer Assessment of Healthcare Providers and System (HCAHPS) survey results received between April 2025 and March 2026, noting the organization was within the 79th percentile. She outlined the patient experience survey results for the Federally Qualified Health Centers (FQHCs) and specialty clinics for the same timeframe, noting the results were better than the benchmark.

Chairman Korte asked if there was a correlation between patient experience scores and quality outcomes.

Ms. Garcia was unsure and would cross-reference patient experience scores with patient outcomes to determine if there was a correlation.

Director Barr questioned how Valleywise Health's quality outcomes compared to other safety net hospitals.

Ms. Garcia explained that Vizient compared the organization to other complex care hospitals, however, a comparison to other safety net hospitals could be conducted and provide the results to the Board.

Mr. Purves commented that it was an ongoing challenge to find an appropriate database that considered the unique circumstances that safety net hospitals often faced, given the patient population that was served, however, staff did not believe that being a safety net was an excuse to diminish quality provided and benchmarked themselves against other complex care organizations.

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. Fronske provided an overview of the statistics of the current legislative session, which had been in session for 136 days, and announced the budget negotiations were occurring and moving forward. He noted the House was adjourned until June 1, 2026.

He outlined the bills that were being tracked, including Senate Bill (SB) 1113, Service of Process, which had passed the Senate and would return to the House.

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. Fronske provided an overview of his recent trip to Washington, D.C., noting that he was able to meet with both US Senators and the congressional delegation to express the organization's main concerns with federal legislation, H.R.1., also known as the Big, Beautiful Bill, specifically the six-month Medicaid re-enrollment and work requirements. He also discussed concerns with 340B funding and efforts to protect site neutral cuts.

Director Demos asked how the congressional delegation responded to the conveyed concerns.

Mr. Fronske stated that the responses varied, based on political party, however, he noted since some provisions of H.R.1. would not be immediately implemented, some staff members preferred not to speak on H.R.1. concerns.

Vice Chairman Wilcox questioned when Medicaid cuts would be implemented.

Mr. Fronske explained that major Medicaid cuts were scheduled to be implemented after the mid-term elections. He offered to provide the Board the implementation timeline.

Vice Chairman Wilcox asked if it would be possible reverse the outcome if the mid-term election resulted in change in Congress control.

Mr. Fronske said that it was possible to delay some of the cuts, however, a full reversal may not happen until there was a change in administration.

4. Discuss and Review Valleywise Health's April 2026 Financials and Statistical Information

Mr. Meier reviewed statistical information for April 2026, noting that total admissions met budget, while emergency department and ambulatory visits missed budget for the month. On a year-to-date basis, total admissions and emergency department visits were better than budget, and ambulatory visits were not meeting budget. The payer mix was close to budget, and he highlighted a higher percentage of Medicaid utilization than budgeted.

An overview of the financial statement for April 2026 was provided, stating total operating revenue was 3.8% better than budget, total operating expenses were 2.8% better than budget despite a negative variance in purchased services, due to increased demolition costs. Non-operating revenue had a 112.6% positive variance, resulting in an increase in normalized net assets of $10,923,000, compared to a budgeted increase of $1,385,817, for a positive variance $9,537,183. On a year-to-date basis, the normalized net assets increased by $89,653,947, compared to a budgeted loss of $482,286, resulting in a positive variance of $90,136,233. There were 179.5 days of cash on hand and 67.6 days in accounts receivable.

Mr. Meier provided details on patient volumes, mentioning endoscopy procedures and deliveries performed better than budget.

5. Discuss and Review Patient Volumes, Revenues, Expenses, Other Assumptions, and Capital Target for Fiscal Year 2027

Mr. Meier outlined the process to develop the operating and capital budget for FY 2027 and stated the focus was to reduce contract labor and monitor expenses, while continuing to expand inpatient and outpatient behavioral health services.

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

5. Discuss and Review Patient Volumes, Revenues, Expenses, Other Assumptions, and Capital Target for Fiscal Year 2027, cont.

Mr. Meier explained the projections used when developing the budget for the upcoming fiscal year were based on actual statistics from July 2025 through April 2026, annualized.

Total admissions were budgeted to increase by nearly one percent over current year projections, patient days were budgeted to grow by 2.5%, emergency department visits were budgeted to remain constant, and outpatient visits were budgeted to increase by 6.1%, primarily in outpatient behavioral health services. Operating room surgeries were budgeted to increase by 3.3 percent.

Director Barr asked how the implementation of H.R.1. may impact volumes moving forward, for example, if the reduction in funding would result in more patients seeking care at Valleywise Health. If so, she asked if staff was prepared to adjust to those changes.

Mr. Meier said that volume projections were based on prior experience, however, he stated that the impacts of H.R.1. would have a greater impact the organization's revenue and would be experienced beginning January 2027

Director Barr asked if staff was preparing for those changes, stating that other organizations may consider closing service lines, driving more individuals to safety net hospitals, such as Valleywise Health.

Mr. Meier assured the Board that staff had taken all factors into consideration and would bring more information, as needed.

The $32 million capital budget included routine and emergency capital, with a focus on maintaining clinical structures and addressing deferred maintenance.

Director Barr questioned how the Proposition 409 bond measure would be incorporated into annual planning and phasing of capital disbursements.

Mr. Whitney confirmed that staff was finalizing the project phasing schedule and would present the information at the June 2026 Board meeting.

6. Discuss and Review Valleywise Health Financial Assistance Policies; Approve Revisions and/or Renewal to the Following Policies:
   a. 09004 S, Financial Assistance Self-Pay Discount Policy for Uninsured/Underinsured
   b. 99021 G, Financial Assistance

Dr. White stated policy 09004 S – Financial Assistance Self-Pay Discount Policy for Uninsured/Underinsured was in place to assist patients and outline financial assistance policies were in place to assist uninsured and underinsured patients. The policy delineates the process to screen all patients to assess each patient's financial responsibility. There were four categories, from zero to 200% of the federal poverty level (FPL) and were based on Medicare rates. Patients over 200% FPL would receive a discounted rate of 115% of Medicare rates. Patients with insurance, but opted not to use, may receive a discounted rate of 175% of Medicare rates. He explained the rates were established based on the cost to provide care.

Director Demos commented on the general uninsured discount rates, specifically the outpatient emergency room visit rate of 115% of Medicate rates. Being a safety net hospital, he questioned if 100% of Medicare rate would be sufficient to charge. He also asked how many patients qualified for that specific discount.

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

6. Discuss and Review Valleywise Health Financial Assistance Policies; Approve Revisions and/or Renewal to the Following Policies:
   a. 09004 S, Financial Assistance Self-Pay Discount Policy for Uninsured/Underinsured
   b. 99021 G, Financial Assistance, cont.

Dr. White said that an analysis would have to be conducted to determine how many patients qualified for that specific discount, but he noted that approximately 20% of patients were uninsured. He also commented that he was comfortable with the proposed discount knowing that a vast majority of patients would not be able to pay the full amount, and a large amount of those accounts were written off.

Director Barr asked how staff established the rates.

Dr. White commented that the total cost to deliver the care was considered, although the rates were not based on the cost of the care. Staff also factored in the community served and other safety net hospitals.

Vice Chairman Wilcox inquired about the previous process in place.

Dr. White said that there was always a policy to address uninsured and underinsured patients, however, the methodology varied. Using the Medicare rate was best for the patient and was reviewed annually.

Ms. Talbot explained there were no changes to policy 99021 G – Financial Assistance, and it worked hand in hand with the operational financial assistance policy, however, the Board set the direction of financial assistance.

MOTION: Director Barr moved to approve policy 09004 S – Financial Assistance Self-Pay Discount Policy for Uninsured/Underinsured, as presented. Vice Chairman Wilcox seconded.

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

MOTION: Director Barr moved to approve the renewal of policy 99021 G – Financial Assistance, as presented. Vice Chairman Wilcox seconded.

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

7. Reports to the Board of Directors:
   a. Quarterly Quality Management Council Meeting Minutes (February 2026)
   b. 2027-2029 Community Health Needs Assessment Report

There were no questions or comments regarding the reports.

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

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

Chairman Korte announced that the search for a new Chief Executive Officer (CEO) was progressing and was on schedule.

Mr. Purves acknowledged the difficult task of developing a budget during a time with many changes on a federal level that impact operations. He commended staff for their efforts and hard work.

He introduced Ms. Krista Wood, the new Assistant General and Ms. Ashley Teeters, the new Vice President of Revenue Cycle.

Mr. Purves congratulated Ms. Stephanie Hines for being the recipient of the FuturistCIO Award, which recognized vision and leadership that had a meaningful impact within their organization and across the information technology community.

He announced Mr. Michael Murphy's upcoming retirement, listed his accomplishments and wished him well on his next journey.

Adjourn

MOTION: Director Thomas moved to adjourn the May 27, 2026 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 Barr, Director Thomas
0 Nays
Motion passed

Meeting adjourned at 2:35 p.m.

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