

Minutes

<p>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 June 19, 2025, 1:00 p.m.</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 – *participated remotely*
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
Beth Beckman, DNP, MSN, BSN, Interim Chief Nursing Officer
Ijana Harris, JD, Senior Vice President, General Counsel

**Guest Presenters/
Speakers:** Matthew Meier, MBA, Vice President, Financial 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

Director Mundell led the Pledge of Allegiance.

Call to the Public

Chairman Korte called for public comment.

Dr. White introduced Ms. Beth Beckman, the Interim Chief Nursing Officer.

Mission Statement

Director Thomas read the Mission Statement aloud.

**Maricopa County Special Health Care District Board of Directors
Meeting Minutes – General Session – June 19, 2025**

General Session, Presentation, Discussion and Action:

1. Discuss, Review and Approve the Maricopa County Special Health Care District's Fiscal Year 2026 Operating and Capital Budget; Adopt a Tax Levy for Fiscal Year 2026; Approve Corresponding Resolution No. 2025-6-19-001

Ms. Agnew noted that the ongoing discussions at a state and federal level, including proposed changes to the Medicaid and Medicare programs, may significantly impact the budget projections. There may be changes to the reimbursement levels, causing staff to propose adjustments to the budget.

Mr. Meier provided an overview of the operating budget for fiscal year (FY) 2026, including patient volumes. Total admissions were budgeted to increase by 1.7% or 345 visits and patient days were budgeted to increase by 5.8%, noting the majority of the increases were in behavioral health. Behavioral health length of stay (LOS) was budgeted at 23 days and LOS five days in acute care. Observation days were budgeted to decrease by three percent, surgeries were budgeted to increase by 1.4%, and endoscopies were budgeted to decrease by 1.6 percent. Total emergency department visits were budgeted to remain consistent with current year-end projections. Ambulatory visits were budgeted to increase 4.48 percent.

There were slight adjustments to the payer mix assumptions, with increases in self-pay and decreases in Medicaid reimbursement.

Mr. Meier outlined the income statement, noting total operating revenue was budgeted to increase by 7.8%, due to the direct payment programs. Total expenses were budgeted to increase by 9.9%, due to salaries and wages, medical service fees, and purchases services. He noted that contract labor expenses were budgeted to decrease by 15.7 percent.

The operating income for FY 2026 was budgeted for \$80,090,904, a 15.1% decrease from current year-end projections. Non-operating revenue and expenses was budgeted to decrease 994% from current year-end projections, resulting in a near break-even budget, or \$527,987.

The FY 2026 capital budget had increased to \$32 million, with \$3.5 million allocated for contingency or emergency use. The fiscal year was budgeted to end with 113 days of cash on hand.

Chairman Korte announced that all Board members had received comprehensive briefings to review the budget in detail.

MOTION: Director Thomas moved to approve the Maricopa County Special Health Care District's fiscal year 2026 operating and capital budget, adopt a tax levy in the amount of \$176,208,374, and approve Resolution No. 2025-6-19-001. Vice Chairman Wilcox seconded.

Director Thomas applauded Valleywise Health's efforts to serve the community.

Director Demos thanked the staff and expressed his appreciation for their efforts.

Vice Chairman Wilcox was aware of the current challenges and was confident that staff developed the best budget with the information available.

Director Mundell echoed the sentiments of her fellow Board members and was proud of the organization.

Chairman Korte noted that developing a budget was a difficult process and stated that staff had the Board's support.

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

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Adjourn

MOTION: Director Thomas moved to adjourn the June 19, 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 1:21 p.m.

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