

|                |
|----------------|
| <b>Minutes</b> |
|----------------|

|                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Maricopa County Special Health Care District<br/>Board of Directors Meeting<br/>Virginia G. Piper Charitable Trust Pavilion<br/>2609 East Roosevelt Street, Phoenix, Arizona 85008<br/>3<sup>rd</sup> Floor, Board Room<br/>June 24, 2026, 1:00 p.m.</b></p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**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

**Others Present:** Steve Purves, FACHE, President & Chief Executive 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  
Alexzandra Hollingworth, MD, Chief of Staff

**Guest Presenters/  
Speakers:** Jo-el Detzel, MSHA, RRT, Vice President Clinical Ancillary Services  
Crystal Garcia, MBA/HCM, RN, Vice President, Specialty Services, Quality and Patient Safety  
Michael Fronske, Legislative and Governmental Affairs Director  
Jennifer Andrews, Senior Director, Development and Construction  
Melanie Talbot, Chief Governance Officer; and Clerk of the Board

**Recorded by:** 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 (Board) 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 none.

**Mission Statement**

Director Barr read the Mission Statement aloud.

**Maricopa County Special Health Care District Board of Directors  
Meeting Minutes – General Session – June 24, 2026**

**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 May 12, 2026
    - ii. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated May 27, 2026
    - iii. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated June 3, 2026
  - b. Contracts:
    - i. Approve amendment #3 to the professional services participation agreement (MCO-25-004-03) between Blue Cross and Blue Shield of Arizona, Inc. and Maricopa County Special Health Care District dba Valleywise Health, for the provision of Registered Dietician services
    - ii. Approve Amended and Restated Statement of Work #3 – Call Coverage, for Master Services Agreement (90-26-172-3) between District Medical Group and Maricopa County Special Health Care District dba Valleywise Health, effective July 1, 2026
    - iii. Approve Amended and Restated Statement of Work #1 - Hospital-Based Specialty Service Lines, for Master Services Agreement (90-26-172-1) between District Medical Group and Maricopa County Special Health Care District dba Valleywise Health, effective July 1, 2026
    - iv. Approve amendment #3 to the contract (90-18-278-1-03) between JTS Direct, LLC and Maricopa County Special Health Care District dba Valleywise Health, to extend the contract for commercial print services, through June 30, 2027
  - c. Governance:
    - i. Approve revisions to Policy 23624 D, FQHC Sliding Fee Discount Program including the Federally Qualified Health Centers Sliding Fee Discount Schedule
    - ii. Approve the application of Essen Otu for reappointment to the Valleywise Community Health Centers Governing Council
    - iii. Approve renewal of property insurance policy with Travelers Insurance Company and Approve the deposit premium payment of \$746,000 for a policy period July 1, 2026, through July 1, 2027
    - iv. Approve Board Resolution No. 2026-6-24-001 Appointing Valleywise Health's Acting Chief Financial Officer and Valleywise Health's Controller as the Maricopa County Special Health Care District's Agents for Public Assistance, Replacing Valleywise Health's Chief Financial Officer as Agent for Public Assistance

**Maricopa County Special Health Care District Board of Directors  
Meeting Minutes – General Session – June 24, 2026**

**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 June 2026
- ii. Approve Valleywise Health's Advanced Practice Clinician/Allied Health Professional Staff credentials for June 2026
- iii. Approve revisions to Nurse Practitioner Family & Community Medicine Privileges
- iv. Approve revisions to Department of OB/GYN Privileges
- v. Approve revisions to Department of Pediatrics Privileges
- vi. Approve revisions to Policy 20075 MT – FQHC Credentialing and Privileging of Clinical Staff

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 Barr,  
Director Thomas  
0 Nays  
**Motion passed.**

2. Recognition of the Employee of the Year Winners

Ms. Detzel introduced the Valleywise Health Employees of the Year. Ms. Jeana Moser was named Nightengale Nurse of the Year, Mr. Jesus Rogelio Alderete was named Nurse Leader of the Year, and Mr. Isaac Favela was named Nursing Support Employee of the Year. The Administrative Employee of the Year was Ms. Rebecca Birr, the Support Services Employee of the Year was Mr. Anthony Monaco, and the Clinical Ancillary Services Employee of the Year was Ms. Milica Gulic.

3. Discuss and Review Valleywise Health's Benchmarking in Vizient's Safety Net versus Complex Care Cohorts

Ms. Garcia explained that Valleywise Health utilized a Vizient quality and accountability scorecard to benchmark the organization to similar hospitals. A newly developed cohort focused on super safety net hospitals, which were publicly funded hospitals, Medicaid or low socio-economic inpatient volumes greater than 20%, more than 200 beds, and no solid organ transplants except kidney.

She outlined how Valleywise Health's performance compared to hospitals within that cohort, noting the organization's strengths and weaknesses. Valleywise Health's strongest service lines were trauma and general medicine, with opportunities to improve vascular and neurology. She reviewed the plans to address gastroenterology, length of stay, and the direct cost of care.

The quality outcomes were discussed, including patient safety indicators, which were included in the organizational goals and had experienced year-over-year improvement.

**Maricopa County Special Health Care District Board of Directors  
Meeting Minutes – General Session – June 24, 2026**

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

3. Discuss and Review Valleywise Health's Benchmarking in Vizient's Safety Net versus Complex Care Cohorts, cont.

Ms. Garcia stated that the partnership with Vizient provided valuable data that factored in the decisions made to make continuous improvement.

Director Barr questioned how action plans were developed to address specific areas of concern, such as vascular surgery.

Ms. Garcia explained that quality analysts were assigned to specific service lines and monitored outcomes to identify trends and opportunities to improve. Those items were discussed at committee meetings to delve into the findings and develop action plans to improve. The results of those action plans were monitored and adjusted, as needed.

Director Barr asked who had the ability to ensure the action plans were properly implemented and monitored.

Ms. Garcia said that within each service line, there was a physician champion, as well as a clinical leader to convey the improvement plan to the bedside staff and monitor the results.

Director Barr asked if there were opportunities for organizations within the cohort to discuss challenges and share best practices.

Ms. Garcia stated that Valleywise Health connected with similar organizations and stated there was an annual summit to allow networking and an exchange of information.

4. Discuss, Review and Approve the Maricopa County Special Health Care District's Fiscal Year 2027 Operating and Capital Budget; Adopt a Tax Levy for Fiscal Year 2027; Approve Corresponding Resolution No. 2026-6-24-002

Mr. Meier provided an overview of the operating budget for fiscal year (FY) 2027, including patient volumes. Total admissions were budgeted to increase by one percent, patient days were budgeted to increase by 2.4%, while observation days were budgeted to decrease by 1.8% and deliveries were projected to decrease by 4.3 percent. Surgeries were budgeted to increase by 3.1%, along with endoscopy procedures budgeted to increase by 2.4%, and emergency department visits were budgeted to decrease by 1.3 percent. Ambulatory visits were budgeted to increase by 4.9%, primarily due to outpatient behavioral health visits.

The payer mix would be impacted mid-year due to the implementation of federal legislation, H.R.1., shifting Medicaid patients to uninsured or other payment sources.

Mr. Meier outlined the income statement, noting net patient services revenue was budgeted to decline, due to the shift in the payer mix. Other revenue was also budgeted to decrease, resulting in a 1.2% decline in total operating revenue. Total expenses were budgeted to increase by 4.6%, primarily due to salaries and wages, benefits, and other expenses. He noted that increases in other expenses were attributed to how expenses were categorized. He announced the FY 2027 operating income was budgeted for \$143,254,505.

He reviewed the non-operating revenue and expenses, stating grant revenue was budgeted to decrease by 41% due to the completion of funding. Non-operating expenses were budgeted to increase by five percent, which was attributed to the match dollars needed for the direct payment programs. He announced the tax levy was budgeted to decrease by 4.9%, noting the tax rate would be 0.1704, a minimal decrease from prior year. The increase in net assets was budgeted to \$20,317,296.

**Maricopa County Special Health Care District Board of Directors  
Meeting Minutes – General Session – June 24, 2026**

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

4. Discuss, Review and Approve the Maricopa County Special Health Care District's Fiscal Year 2027 Operating and Capital Budget; Adopt a Tax Levy for Fiscal Year 2027; Approve Corresponding Resolution No. 2026-6-24-002, cont.

The FY 2027 capital budget had increased to \$33 million, with \$3 million allocated for contingency or emergency use. The fiscal year was budgeted to end with 176 days of cash on hand, with a goal to build cash reserves to prepare for the impact of H.R.1.

Chairman Korte acknowledged the improved financial position and questioned what factors contributed to the improvement.

Mr. Meier stated the Safety Net Services Initiative (SNSI), a directed payment program, contributed significantly to the organization's financial improvement.

**MOTION:** Director Thomas moved to approve the Maricopa County Special Health Care District's fiscal year 2027 operating and capital budget, adopt a tax levy in the amount of \$169,029,910, and approve Resolution No. 2026-6-24-002. Director Barr seconded.

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

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. Fronske announced the statistics of the legislative session, which concluded on June 13, 2026, after 153 days in session. He noted 264 bills had been signed by the Governor, with a general effective date of September 12, 2026. The budget passed with no major provisions that would directly impact the organization, however, there were funds allocated to implement H.R.1. provisions, such as additional Medicaid workers to determine eligibility and enforce new requirements.

On a federal level, staff continued to work with several healthcare associations, including but not limited to America's Essential Hospitals (AEH), American Hospital Association (AHA), and Arizona Hospital and Healthcare Association (AZHHA), to understand new rules and requirements for the Medicaid program.

6. Presentation and Discussion Regarding the Implementation of Proposition 409 Projects

Ms. Andrews provided an overview of the Proposition 409 project implementation plans, including the timeline in which each project would be completed. Staff considered a variety of factors in determining the order of the projects, including cash flow and bond sale strategies. She noted the budgets for each project had been validated, internal project controls had been created, and staff had developed workflow processes.

The primary focus of the work centered on the main Roosevelt campus, including the building of a parking garage, a new behavioral health center, a new comprehensive health and surgical center, completion of the 10<sup>th</sup> floor of the acute care hospital, and expanding emergency room capacity with an observation unit.

Ms. Andrews said Proposition 409 funds would be allocated between three major categories: inpatient facilities and Roosevelt campus improvements, outpatient facilities, and behavioral health facilities. She reviewed the projects contained within each category, including budgeted amounts.

**Maricopa County Special Health Care District Board of Directors  
Meeting Minutes – General Session – June 24, 2026**

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

6. Presentation and Discussion Regarding the Implementation of Proposition 409 Projects, cont.

While the original plan was estimated to be implemented over 10 years, however, due to several circumstances, such as escalation costs, staff reevaluated and revised the plan with a focus on efficiency, resulting in the order of the projects changing and a compressed timeline.

Vice Chairman Wilcox addressed the outpatient facilities projects, specifically the new Valleywise Community Health Center-South Central, and asked for details related to the location and size of the new facility.

Ms. Andrews said that a new location had not been secured, however, staff was seeking land near the current facility and close to public transportation. The new facility would follow the same design as the other Valleywise Community Health Centers and would be approximately 26,000 square feet with 24 exam rooms.

She reviewed the current activities, noting the first project was the site utility relocation, followed by the parking garage. Staff continued to refine cost models and monitor cash flow. A parking assessment was scheduled to be conducted prior to finalizing plans related to the parking garage, as well as site evaluations of the Roosevelt campus and Chandler locations.

Director Barr requested information related to the energy efficient components of the implementation plans.

Ms. Andrews stated that \$4 million was allocated for sustainability efforts, and would evaluate various components of construction, including solar, efficiency of windows, walls, and other materials used, as well as heating and cooling systems. Staff also planned to expand electric vehicle (EV) charging stations at multiple Valleywise Health locations, including additional charging stations on the Roosevelt campus.

7. Discuss, Review and Approve Amended and Restated Co-Applicant Operational Arrangement between Maricopa County Special Health Care District and Valleywise Community Health Centers Governing Council

Ms. Talbot explained the purpose of the Amended and Restated Co-Applicant Operational Arrangement between Maricopa County Special Health Care District and Valleywise Community Health Centers Governing Council (Governing Council), noting the document was reviewed and updated to ensure compliance with the Health Resources and Services Administration (HRSA) operations manual. She highlighted the added requirement for both the Board and Governing Council members to complete an annual conflict of interest disclosure statement.

**MOTION:** Director Thomas moved to approve the Amended and Restated Co-Applicant Operational Arrangement between Maricopa County Special Health Care District and Valleywise Community Health Centers Governing Council. Vice Chairman Wilcox seconded.

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

**Maricopa County Special Health Care District Board of Directors  
Meeting Minutes – General Session – June 24, 2026**

**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

Director Thomas shared the events that he participated in over the previous two months, including but not limited to The Governance Institute conference, the five-year anniversary celebration for Valleywise Comprehensive Health Center-Peoria, and the Go Red for Women Luncheon.

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

Vice Chairman Wilcox thanked Chairman Korte for her leadership throughout the process.

Mr. Purves expressed his appreciation and gratefulness for Valleywise Health's employees, including but not limited to the finance department for their hard work in developing the FY 2027 operating and capital budget.

He congratulated Ms. Stephanie Hines, Valleywise Health's Chief Information Officer, for being named one of *Becker's Healthcare Women in IT to Know for 2026*. He also noted the organization earned Gold Status through Health Arizona Worksite program, which reflected efforts toward health and well-being for workforce and support through actions. He mentioned the completion of the art installation throughout the acute care hospital and thanked the Valleywise Health Foundation for providing the funding to complete the project.

He played the most recent marketing campaign video, which encouraged routine pediatric care, and introduced Mr. Brian O'Malley, the new Director of Marketing and Communications.

**Adjourn**

**MOTION:** Director Thomas moved to adjourn the June 24, 2026 Maricopa County Special Health Care District Board of Directors General Session meeting. Director Barr seconded.

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

Meeting adjourned at 2:17 p.m.

---

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