

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 August 26, 2026, 1:00 p.m.
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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: Michael D. White, MD, MBA, President & Chief Executive Officer
Warren Whitney, MBA, Executive Vice President, Chief Administrative Officer
Frank Hemeon, Interim Executive Vice President, Chief Financial Officer
Ijana Harris, JD, Executive Vice President, Chief Legal Officer
Alexzandra Hollingworth, MD, Chief of Staff

**Guest Presenters/
Speakers:** Erica Brown, Executive Director, Creighton University Arizona Health Education Alliance
Tina Babenko, EdD, JM, Chief Compliance Officer
Jan Botts, MHA, BSN, Interim Vice President, Quality and Safety
Matthew Meier, MBA, FACHE, Vice President, Financial Services

Recorded by: Melanie Talbot, Chief Governance Officer; 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 (Board) were present, which represented a quorum.

Pledge of Allegiance

Director Demos led the Pledge of Allegiance.

Call to the Public

Chairman Korte called for public comment.

Dr. White introduced Mr. Frank Hemeon, Interim Executive Vice President and Chief Financial Officer. He also announced Dr. Jodi Carter would be shifting her role from Chairman of the Pediatrics Department to Interim Executive Vice President and Chief Medical Officer. Ms. Jan Bott was welcomed as the Interim Vice President, Quality and Safety.

**Maricopa County Special Health Care District Board of Directors
Meeting Minutes – General Session – August 26, 2026**

Mission Statement

Director Thomas 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 June 24, 2026
 - ii. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated July 8, 2026 – 10:00 a.m.
 - iii. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated July 8, 2026 – 12:00 noon
 - iv. Approve Maricopa County Special Health Care District Board of Directors meeting minutes dated July 23, 2026
 - b. Contracts:
 - i. Approve amendment #5 to the agreement (90-24-212-1-05) between Xanitos Inc. and Maricopa County Special Health Care District dba Valleywise Health, for environmental services
 - ii. Approve an intergovernmental agreement (90-27-007-1) between Arizona Health Care Cost Containment System (AHCCCS) and Maricopa County Special Health Care District dba Valleywise Health, for the support of the Safety Net Services Initiative (SNSI) for the contract year ending September 30, 2027. Valleywise Health shall transfer public funds to AHCCCS in the amount of \$114,280,578.69 for the support of the SNSI
 - iii. Approve an intergovernmental agreement (90-27-006-1) between Arizona Health Care Cost Containment System (AHCCCS) and Maricopa County Special Health Care District dba Valleywise Health, for the administration of the Safety Net Services Initiative (SNSI) for the contract year ending September 30, 2027. Valleywise Health shall transfer public funds to AHCCCS in the amount of \$4,725,130.14 for the administration of the SNSI
 - iv. Approve a new agreement (90-26-087-1-01) between Symetra Life Insurance Company and Maricopa County Special Health Care District dba Valleywise Health, for employee stop loss insurance for a policy renewal term of July 1, 2026 through June 30, 2027
 - v. Approve a new agreement (90-27-018-1) between Circle the City and Maricopa County Special Health Care District dba Valleywise Health, for the lease of Valleywise Health's mobile health vehicle
 - vi. Approve amendment #2 to the agreement (90-24-211-1-02) between Thomas Cuisine and Maricopa County Special Health Care District dba Valleywise Health, for outsourcing of food nutrition and gift shop services

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

1. Approval of Consent Agenda, cont.
 - b. Contracts, cont.:
 - vii. Approve a new intergovernmental agreement (90-27-019-1) between Arizona Health Care Cost Containment System (AHCCCS) and Maricopa County Special Health Care District dba Valleywise Health, for the transfer of \$34,332,029.52 of public funds for use as the Non-Federal Share of the Medicaid payment due under this agreement for graduate medical education (GME) programs, for the period of July 1, 2025 through June 30, 2026, for the following GME programs; Abrazo Arrowhead (\$4,551,930.38); Abrazo Central (\$1,680,546.48); Abrazo West (\$2,443,669.32); Canyon Vista Medical Center (\$903,249.57); and Valleywise Health Medical Center (\$24,752,633.77), for a total benefit of \$97,168,412.95
 - c. Governance:
 - i. Approve revisions to the following Board policy statements:
 - a. Policy 99001 G – Annual External Audit
 - b. Policy 99011 G – Revenue Contracts – Medical Services
 - c. Policy 99103 G – Cellular Phone Service Plan Stipend; proposing new title: Cellular Service Stipend
 - d. Policy 99104 G – Intergovernmental Agreements: Execution, Amendments and Termination
 - ii. Approve the Settlement Agreement and Release between Valleywise Health and UMR related to the pharmacy claims audit refund
 - iii. Approve affidavits appointing Cassandra Haworth, DO, Tyson Lambert, DO, and Brandon Valencia, MD, as Deputy Medical Directors in the Department of Psychiatry
 - iv. Approve registration fee, mileage, lodging, and meals & incidental expenses per diem not to exceed rates allowable under applicable District practices and policies for Chairman Korte and Director Thomas to attend Arizona Hospital and Healthcare Association's Annual Leadership Conference, October 21-23, 2026, in Tucson, Arizona
 - v. Approve revisions to the Maricopa County Special Health Care District's Approval, Authorization and Responsibility Matrix
 - d. Medical Staff:
 - i. Approve Valleywise Health's Medical Staff credentials for July and August 2026
 - ii. Approve Valleywise Health's Advanced Practice Clinician/Allied Health Professional Staff credentials for July and August 2026
 - iii. Approve revisions to Audiologist Privileges and Practice Prerogatives
 - iv. Approve revisions to Nurse Practitioner Internal Medicine Privileges and Practice Prerogatives
 - v. Approve revisions to Nurse Practitioner Pediatrics Privileges and Practice Prerogatives

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

1. Approval of Consent Agenda, cont.

d. Medical Staff, cont.:

- vi. Approve revisions to Nurse Practitioner Neurosurgery Privileges and Practice Prerogatives
- vii. Approve Physician Assistant Neurosurgery Privileges and Practice Prerogatives
- viii. Approve revisions to Clinical Psychologist Privileges and Practice Prerogatives
- ix. Approve revisions to Department of Psychiatry Privileges
- x. Approve revisions to Policy 31203 T – Focused Professional Practice Evaluation (FPPE) to Confirm Practitioner Competence

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. Presentation about the Creighton University Arizona Health Education Alliance

Ms. Brown provided the history on the creation of the Creighton University Arizona Health Education Alliance (Alliance), which was launched in 2017 with a strategic partnership between Creighton University, St. Joseph's Hospital and Medical Center (SJHMC), Valleywise Health and District Medical Group (DMG). The goal was to increase the number of highly trained healthcare professionals practicing with the region.

She provided an overview of the graduate medical education (GME) programs offered, including internal medicine, general surgery, diagnostic radiology, obstetrics and gynecology (OB/GYN), psychiatry, emergency medicine, family medicine, podiatry, and anesthesiology. She noted that there were 355 residents and fellows sponsored by Creighton University School of Medicine and announced the new programs that were in development; orthopedic surgery and family medicine rural track programming.

The mission of the Alliance was to address the physician workforce needs in Arizona, stating that 58% of Creighton University residents and fellows that trained at an Alliance member site remained in Arizona and began clinical practice after training.

In addition to addressing the physician workforce needs, the Alliance offered approximately 4,000 clinical rotations through St. Joseph's Medical Center and Valleywise Health from over 30 schools and colleges, with nearly 35% of students from Creighton health sciences programs.

Ms. Brown outlined the Creighton health science programs in Phoenix, including the School of Medicine, College of Nursing, and the School of Pharmacy and Health Professions, which offered Doctor of Physical Therapy, Doctor of Occupational Therapy, and Doctor of Pharmacy programs.

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

2. Presentation about the Creighton University Arizona Health Education Alliance, cont.

Ms. Brown explained that there were over 1,800 rotations at Valleywise Health, with 60% of those rotations coming from Creighton health sciences programs. Since 2019, over half of the College of Nursing graduates remained in Arizona, with 25 graduates working at Valleywise Health. She outlined the retention rates of the other programs.

She explained how the Alliance supported the collaboration, development and execution of the initiatives to promote excellence within the clinical training environment, including faculty development sessions and wellness curriculum and initiatives to support Creighton medical residents and faculty.

The financial performance for fiscal year (FY) 2026 was reviewed, with a \$47 million investment from the Alliance members. Moving forward, there was a residency and fellowship expansion strategy, the operations for medical student reporting would be centralized, recruitment strategies would be reviewed, and there would be a focus on brand awareness.

Chairman Korte asked what the greatest recruitment obstacle was.

Ms. Brown stated that medical residents were focused on compensation and work/life balance, which was an opportunity to improve. Within the nursing program, there were many options and many factors that were considered, including compensation, location, and benefits. Unfortunately, the retirement package offered was no longer a selling point. It would be helpful if the students selected connected with the organization's mission.

Director Thomas asked if there were plans to expand the clinical programs in Phoenix.

Ms. Brown said she was unaware of plans to expand.

Director Barr addressed the \$47 million investment from the core members and asked if each member contributed equally.

Ms. Brown explained that the administrative expenses were equally shared. Creighton University assumed 50% of student operation expenses, while Valleywise Health and SJHMC shared the remaining amount equally. Valleywise Health and SJHMC shared the GME expenses based on the number of residents within each program.

Director Barr asked if the residents provided feedback regarding the quality of the education received.

Ms. Brown said that there were a variety of surveys given to the students and medical residents, both internal and regulatory. Each student was also required to complete a quality improvement project during their training.

Vice Chairman Wilcox acknowledged Valleywise Health's unique population and questioned if the medical residents were aware prior to beginning their training.

Ms. Brown confirmed that there was education and awareness training included in recruitment, orientation, and within the individual department onboarding processes.

3. Compliance Program Update; Discuss, Review and Approve Compliance and Internal Audit Work Plans for Fiscal Year 2027

Ms. Babenko reviewed the ethics line report for FY 2026, highlighting the increase in cases within the third quarter due to more awareness mid-year, with most cases classified as the lowest alert level. She reviewed the privacy incidents and Office of Civil Rights reportable breaches, noting only 16 reportable breaches occurred throughout the year.

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

3. Compliance Program Update; Discuss, Review and Approve Compliance and Internal Audit Work Plans for Fiscal Year 2027, cont.

Director Thomass requested additional information related to the one case that was classified as the highest alert level.

Ms. Babenko explained that cases classified as the highest alert level required immediate investigation and could potentially have high regulatory or monetary impact to the organization. She mentioned the investigation concluded the case was unsubstantiated.

Director Barr asked if the number of cases reported to the ethics line was a reasonable amount for an organization of Valleywise Health's size.

Ms. Babenko said that she needed to gather more information, as not all concerns were reported through the ethics line. She would establish tracking systems to monitor all concerns, regardless of how they were reported.

Director Barr stated it was important for employees to have multiple avenues to report concerns.

Ms. Babenko agreed and noted the average days to close each case, by quarter. She mentioned that while the benchmark to close a case was 30 days or less, she acknowledged that some investigations may take longer due to the complexity.

She outlined the compliance program accomplishments for FY 2026, including but not limited to restructuring the Compliance Committee, creating of the Executive Compliance Committee with subcommittees, revising compliance and privacy policies, and incorporating compliance training at new employee's orientation. There were also two new staff members within the Compliance Department, and the risk assessment was conducted, with the goal to shift from a reactive compliance program to a proactive compliance program.

The risk assessment process was outlined, along with the risk scoring methodology used to determine the areas to focus on in FY 2027. After 93 interviews were conducted, 46 risks were identified and scored, noting that identifying risks did not correlate to wrongdoing.

The Internal Audit Work Plan contained six key areas, including revenue integrity, payroll governance, patient financial assistance and sliding fee compliance, operating room inventory management, No Surprise Act compliance, and cash handling and financial controls audit.

The Compliance Work Plan contained 10 key areas, including conflict of interest governance, privacy and security, professional fee coding and billing, fingerprint clearance card compliance, consent management, denial management, mandatory training assessment, compliance education and training program, policy governance and review, and compliance hotline and reporting program.

Chairman Korte asked who participated on the Executive Compliance Committee.

Ms. Babenko said that the executive leaders participated, since the organization's culture began at the top, and staff would be held accountable. She outlined the management-led remediation projects and the current status of each project, including contract life cycle, quality and patient safety program effectiveness, behavioral health staff safety, behavioral health leadership capacity, control substance diversion prevention and monitoring, and workplace violence and security controls. Each project would be presented to the Executive Compliance Committee regularly with updates.

Director Barr requested clarification on the Board role in compliance.

Ms. Babenko said that the Board would receive routine updates, specifically with data on the ethics line and the progress of the work plans.

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

3. Compliance Program Update; Discuss, Review and Approve Compliance and Internal Audit Work Plans for Fiscal Year 2027, cont.

Chairman Korte requested bi-monthly updates, due to the volume of information that would be gathered.

Director Barr asked if there were any concerns related to available resources.

Ms. Babenko was unaware of any resource concerns and believed that the items included within the work plans could be addressed. However, if circumstances changed, she would review the plan and adjust as needed.

Dr. White offered his support to address the items identified within the work plans.

Vice Chairman Wilcox asked what Ms. Babenko's biggest concerns were.

Ms. Babenko responded that she was focused on conflict of interest, privacy and contract management.

MOTION: Director Thomas moved to approve the Compliance and Internal Audit Work Plans for fiscal year 2027. Director Barr seconded.

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

4. Discuss, Review and Approve Valleywise Health's Annual Quality Improvement and Patient Safety Plan for Fiscal Year 2027; Approve Indicators on Which to Measure Quality for Fiscal Year 2027

Ms. Bott presented the Quality Improvement and Patient Safety Plan for FY 2027 and outlined the revisions made throughout the document. The quality priorities were reviewed, which included reducing hospital acquired infections and improving patient safety indicators, and efficiency, while focusing on cultural and linguistically appropriate services. She highlighted the transition to a Press Ganey Patient Safety Organization, to obtain data collection and analysis of errors and gather patient safety resources. She mentioned that the organization would be monitoring over 100 metrics and there were software programs to assist with the data analysis. The infection prevention and control plan policy was reviewed, noting the revisions reflected the ongoing efforts to improve outcomes.

Director Barr asked how the quality priorities were identified and if they were aligned with the Centers for Medicare and Medicaid Services (CMS) star ratings.

Ms. Bott confirmed the priorities aligned with CMS, along with other publicly reported agencies, including Leapfrog. The work done throughout the current fiscal year would result in organizational success for future ratings.

Dr. White stated the five areas outlined within the Quality Improvement and Patient Safety Plan directly correlated to the CMS star rating.

Chairman Korte said that given the importance of quality throughout the organization, who was responsible for the outcomes and how would the goals be accomplished.

Ms. Bott stated that the outcomes achieved were dependent upon all employees, as quality was a culture, not designated to one department. The patient must be a priority, from the bedside to the Board level.

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

4. Discuss, Review and Approve Valleywise Health's Annual Quality Improvement and Patient Safety Plan for Fiscal Year 2027; Approve Indicators on Which to Measure Quality for Fiscal Year 2027, cont.

Chairman Korte asked how the Board could assist with improving quality throughout the organization.

Ms. Bott suggested that the Board members ask questions and challenge staff members to improve. The Board would also receive quarterly updates and discuss other quality items at the Board's discretion.

Director Barr questioned how the medical staff contributed to the quality improvement plans.

Ms. Bott explained that medical providers were directly involved with the variety of committees and there were relationships with senior leaders.

MOTION: Director Thomas moved to approve Valleywise Health's Annual Quality Improvement and Patient Safety Plan for fiscal year 2027. Vice Chairman Wilcox seconded.

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

MOTION: Director Thomas moved to approve the Indicators on Which to Measure Quality. Vice Chairman Wilcox seconded.

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

5. Discuss and Review the Quarterly Quality Report and Metrics Dashboard, including but not limited to Patient Safety and Hospital Consumer Assessment of Healthcare Providers and Systems Score

Ms. Bott outlined the results of the quality metrics for the fourth quarter of 2026 fiscal-year-end, noting that the data was used to drive improvements. She highlighted the successes achieved throughout FY 2026, including outcomes associated with hospital acquired infection. She mentioned the action plans in place to maintain or improve the results achieved, including increasing observations to improve the hand hygiene compliance metric.

She reviewed the patient safety indicators (PSIs) that did not meet the benchmarks, noting that given the small number of patients treated for specific conditions, one critical patient could impact multiple metrics, resulting in the PSIs being the greatest area for improvement. There were also opportunities to improve case reviews. She outlined the action plan to address hospital acquired pressure ulcers, including regularly scheduled meetings and additional education provided to staff related to best practices.

Ms. Bott provided an overview of Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey results, highlighting the 7.3% response rate and stating the need to create an action plan to increase the response rate. Of those that do respond, the response was favorable, with the organization ending FY 2026 within the 83rd percentile amongst safety net hospitals. She outlined the responses to specific questions, including the patient's perception of staff working together and cleanliness of the hospital.

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

5. Discuss and Review the Quarterly Quality Report and Metrics Dashboard, including but not limited to Patient Safety and Hospital Consumer Assessment of Healthcare Providers and Systems Score, cont.

Chairman Korte addressed the variation in responses, such as rating the hospital favorably, but low scores for other questions.

Ms. Bott reiterated that each patient had a unique perspective and identified areas for improvement.

Dr. White stated that Valleywise Health staff was working closely with the medical staff to improve the overall environment.

6. Discuss and Review Valleywise Health's Preliminary June 2026 Fiscal Year End Financials and Statistical Information, July 2026 Financials and Statistical Information, and Annual Investment of Funds Report

Mr. Meier outlined statistical information for fiscal-year-end, noting admissions were nearly three percent better than budget, emergency department visits were at budget, and ambulatory visits missed budget by 1.5 percent. In reviewing the payer mix, he mentioned a higher utilization in Medicaid than budgeted, and a lower utilization of Medicare than budgeted.

He reviewed the fiscal-year-end financial statement, highlighting a 10.5% positive variance in total operating revenue, and a 3.1% positive variance in total operating expenses. The normalized assets, excluding bond related revenues and expenses, increased by \$141,690,936, compared to a budgeted increase of \$3,127,985, resulting in a positive variance of \$138,562,951, primarily due to the increase in the Safety Net Services Initiative (SNSI) funds. He announced that FY 2026 concluded with 177 days of cash on hand and 72 days in accounts receivable.

The statistical information for July 2026 was reviewed, noting total admissions were 9.7% better than budget, emergency department visits were 4.5% better than budget, and ambulatory visits missed budget by approximately one percent. The payer mix was consistent with prior year, with higher utilization in Medicaid than budgeted.

In reviewing the financial statements for July 2026, Mr. Meier noted the seven percent positive variance in total operating revenue, the 2.4% negative variance in total operating expenses. Net assets increased by \$7,098,192, compared to a budgeted increase of \$364,512, resulting in a \$6,733,581 positive variance. There were 138.5 days of cash on hand and 69 days in accounts receivable.

He outlined the investment of funds report and focused on the change in annual percentage yield, due to a shift in portfolio management, causing the annual yield to increase to up to 6.5%, up from prior months.

7. Reports to the Board of Directors:
 - a. Quarterly Quality Management Council Meeting Minutes (May 2026)

There were no questions or comments regarding this item.

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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 congratulated Dr. White on completing his first month in his new role as President & Chief Executive Officer (CEO).

Dr. White thanked the Board for their guidance and stated that staff had been supportive throughout the transition.

He announced that Mr. Steve Purves, former President & CEO, had been included on a *Becker's Healthcare CEO's to Know 2026*, and Mr. Paul Deredt, Director of Supply Chain, was recognized by *Becker's Healthcare Supply Chain Leaders to Know 2026*. Ms. Harris was included as one of the Most Influential Women in Arizona Business for 2026.

He also stated that Valleywise Health was a finalist for several awards, including WESTMARC's 2026 Best of the West Awards, and Phoenix Business Journal's Healthcare Heroes.

Adjourn

MOTION: Director Thomas moved to adjourn the August 26, 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 Barr,
Director Thomas
0 Nays
Motion passed

Meeting adjourned at 3:23 p.m.

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