

**DISTRICT CLINIC HOLDINGS, INC.
d.b.a. C.L. BRUMBACK PRIMARY CARE CLINICS
BOARD OF DIRECTORS FINANCE COMMITTEE
MEETING MINUTES
January 29, 2020
1515 N. Flagler Drive
West Palm Beach, FL 33401**

1. Call to Order

Mr. Elder called the meeting to order at 12:15 p.m.

A. Roll Call

Committee members present: James Elder, Gary Butler, Michael Smith
Committee members excused:

Staff present included: Dr. Belma Andric, VP & Executive Director of Clinic Services; Valerie Shahriari, General Counsel; Joel Snook, VP & Chief Financial Officer

Recording/transcribing Secretary: Jonathan Dominique

- B. Affirmation of Mission: To provide compassionate, comprehensive health services to all Palm Beach County residents, through collaboration and partnership, in a culturally sensitive environment.

2. Agenda Approval

A. Additions/Deletions/Substitutions

None

B. Motion to Approve Agenda

CONCLUSION/ACTION: Mr. Butler made a motion to approve the agenda as presented/amended. The motion was duly seconded by Mr. Smith. A vote was called, and the motion passed unanimously.

3. Awards and Presentations

None.

4. Disclosure of Voting Conflict

None.

5. Public Comment

None.

6. Meeting Minutes

- 6A-1 **Staff recommends a MOTION TO APPROVE:**
Finance Committee Meeting Minutes of November 27, 2019.

CONCLUSION/ACTION: Mr. Butler made a motion to approve the Meeting Minutes of November 27, 2019. The motion was duly seconded by Mr. Smith. A vote was called, and the motion passed unanimously.

7. Consent Agenda – Motion to Approve Consent Agenda Items

CONCLUSION/ACTION: Mr. Smith made a motion to approve the Consent Agenda items. The motion was duly seconded by Mr. Butler. A vote was called, and the motion passed unanimously.

A. ADMINISTRATION

- 7A-1 **RECEIVE AND FILE:**
January 2020 Internet Posting of District Public Meeting
<http://www.hcdpbc.org-Resources-Public Meetings>

- 7A-2 **RECEIVE AND FILE:**
Attendance Tracking

8. Regular Agenda

A. FINANCE

- 8A-1 **Staff recommends a MOTION TO APPROVE:**
C.L. Brumback Primary Care Clinics Charge Master Analysis

Mr. Joel Snook, CFO, presented the Charge Master changes and included the volumes at the finance committee's request. Mr. Snook stated the intention of using the 50th percentile as the standard for the clinic's rates. Explained that the reason for some of the increases in cost for some procedures, was that it had been so long since the charge master was updated. Mr. Butler asked about the charge master as it relates to self-pay patients. Mr. Snook informed Mr. Butler that the self-pay patients wouldn't be affected at all. The persons that will directly be affected are those who are well insured; as they would have to pay more out of pocket. Mr. Butler asked about how this could have an effect on bad debt. Mr. Snook informed Mr. Butler that there should be no difference in the ratio of revenue

to bad debt as revenue would go up in concert with the bad debt. Mr. Smith addressed the fee schedule and suggested that our fee schedule should match what our community charges in relations to Medicare. Mr. Snook points out that the clinics conduct a financial review of all persons who are unable to pay full charges, and offer payment plans as an option. Mr. Smith explains that Medicare sets the national standard for most fee schedules, whether private practice, or hospital; everyone looks to Medicare for their fee schedule. Mr. Smith goes on to suggest a policy where the clinics use Medicare's prices as the standard. This can be done at 100% or at some other percentage. This way there would be no need to constantly have to vote on the charge master updates. Mr. Butler points out that although there are a large amount of practices that do this, most of their patients are Medicare patients. This is not the case with our patients. Mr. Snook explains to Mr. Smith that it is required that we conduct a market analysis every so often. Mr. Smith asks why it was chosen to set charges to the 50th percentile and not another percentile. Mr. Snook states that charging at the 50th percentile is already a big jump and covers what the clinics need.

CONCLUSION/ACTION: Mr. Butler made a motion to approve the Changes to the Charge Master. The motion was duly seconded by Mr. Smith. A vote was called, and the motion passed unanimously.

8A-2 **RECEIVE AND FILE:**

C.L. Brumback Primary Care Clinics Finance Report: November

Mr. Joel Snook, VP & Chief Financial Officer, presented the following financial report for the month of November:

The November statements represent the financial performance for the second month of the 2020 fiscal year for C.L. Brumback. Total revenue is favorable to budget by \$154k due to an increase in actual visits of 22,899 versus projected visits of 20,755 or 10.3%. Expenses before depreciation are over budget by \$205k or 4.8% mostly due to salaries, wages and benefits (\$117k), purchases services of (\$50k), repair and maintenance (\$20k), and lease and rental (\$25k). Volumes for medical and dental are better than budget by 2,144 or 10.3% year to date.

Within the medical clinics, revenue is ahead of budget by \$206k YTD, this is primarily attributed to higher than expected visits to budget of 2,338 or 14.9%. Positive variance in other revenue is a result of bonus incentive revenue of \$19k. Expenses in the medical clinics are (\$271k) over budget. This negative variance is attributable to higher than expected salaries, wages and benefits expenses. Purchased services has a negative variance of (\$43k) primarily due to higher collection fees from Athena and increased fees from security services. Repairs and maintenance is unfavorable by (\$24k) due to higher than anticipated repairs and software maintenance costs.

On the Comparative Statement of Net Position, due from other governments increased to \$1.2M as result of LIP anticipated payment of approximately \$1.1M from AHCA State Fiscal Year 2019-2020. The District subsidy year to date for the clinic is \$3.4M.

Mr. Butler asks if our bad debt has gone down. Mr. Snook informs Mr. Butler that the revenue cycle department has been restructured over the last four months. In the same four months this time last year there were collections of \$600,000. During the same four months this year we have collected \$1.7 Million more. Mr. Butler asks if this is a function of changing revenue cycle, or if this is due to identifying more for charity care. Mr. Snook informs Mr. Butler that the changes in revenue cycle has led to an increase in identifying charity care. Dr. Andric also pointed out that there were changes also made in the clinic's Athena set up, which has led to better capturing of data.

CONCLUSION/ACTION: Receive & File. No further action necessary.

9. VP and Executive Director of Clinic Services Comments

None.

10. Board Member Comments

None.

11. Establishment of Upcoming Meetings

February 26, 2020 (HCD Board Room)

12:15pm Finance Committee

March 25, 2020 (HCD Board Room)

12:15pm Finance Committee

April 29, 2020 (HCD Board Room)

12:15pm Finance Committee

May 27, 2020 (HCD Board Room)

12:15pm Finance Committee

June 24, 2020 (HCD Board Room)

12:15pm Finance Committee

July 29, 2020 (HCD Board Room)

12:15pm Finance Committee

August 26, 2020 (HCD Board Room)

12:15pm Finance Committee

September 30, 2020 (HCD Board Room)

12:15pm Finance Committee

October 28, 2020 (HCD Board Room)

12:15pm Finance Committee

November 25, 2020 (HCD Board Room)

12:15pm Finance Committee

December 16, 2020 (HCD Board Room)

12:15pm Finance Committee

12. Motion to Adjourn

Mr. Butler made a motion to adjourn. The motion was duly seconded by Mr. Smith. A vote was called, and the motion passed unanimously.

There being no further business, the meeting was adjourned at 12:49 p.m.



DCHI Finance Committee Chair

2/26/2020
Date