

**DISTRICT CLINIC HOLDINGS, INC.
d.b.a. C.L. BRUMBACK PRIMARY CARE CLINICS
BOARD OF DIRECTORS FINANCE COMMITTEE
MEETING MINUTES
October 28, 2020
Zoom Webinar Meeting**

1. Call to Order

Mr. Smith called the meeting to order at 12:18 p.m.

A. Roll Call

Committee members present: Mike Smith, James Elder
Committee members excused: Tammy Jackson-Moore

Staff present included: Darcy Davis, CEO; Dr. Belma Andric, VP & Executive Director of Clinic Services; Valerie Shahriari, General Counsel; Joel Snook, VP & Chief Financial Officer; Dr. Hyla Fritsch, Executive Director of Clinic Operations and Pharmacy Services; Andrea Steele, Director of Corporate Quality

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. Elder 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 September 30, 2020.

CONCLUSION/ACTION: Mr. Elder made a motion to approve the Meeting Minutes of September 30, 2020. The motion was duly seconded by Ms. Jackson-Moore. 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. Elder. A vote was called, and the motion passed unanimously.

A. ADMINISTRATION

- 7A-1 **RECEIVE AND FILE:**
October 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 Finance Report: August 2020

The August statements represent the financial performance for the eleventh month of the 2020 fiscal year for C.L. Brumback Primary Care Clinics. Total YTD revenue was favorable to budget by \$740k due to the COVID-19 stimulus funds. Net patient revenue YTD was unfavorable to budget by (\$946k). The COVID-19 national emergency started mid-March and 9 clinics were closed to start countywide COVID-19 testing. Expenses before depreciation were over budget by (\$1.0M) or

(4.3%) due mostly to negative variances in salaries, wages, and benefits (\$590), purchase services (\$71k), medical services (\$263k), and repair and maintenance (\$147k). Total YTD net margin was (\$11.3M) compared to budget of (\$11.1M) for an unfavorable variance of (\$133k) or (1.2%). The Medical clinics total YTD revenue was favorable to budget by \$1.5M, this favorable variance resulted from the recognition of COVID-19 related grant funding of \$2.0M. Gross patient revenue under budget of (\$3.3M) or (18.9%) was a result of reduced clinic operation and closure from mid-March through May. During clinic closure, staff were reassigned to start countywide COVID-19 testing. Total operating expenses of \$20.8M were unfavorable to budget of \$19.5M by (\$1.3M) or (6.6%). This negative variance is mostly related to salaries, wages and benefits (\$793k), purchase services (\$60k), medical supplies (\$68k), medical services (\$263k) and repairs and maintenance (\$170k). Purchase services are unfavorable to budget due to higher collection fees from Athena. Medical supplies and medical services are unfavorable to budget due to unanticipated service use and supplies purchases. Repairs and maintenance is unfavorable to budget primarily due to unanticipated Allscripts software maintenance cost. Total YTD net margin of (\$9.7M) was favorable to budget of (\$10.0M) by \$307k or 3.1%. The Dental clinics gross patient revenue was unfavorable to budget by (\$1.4M) or (35.6%). Total revenue of \$3.1M was under budget of \$3.9M by (\$732k) or (19.0%) due to grant revenue recognition timing, as well as reduced services. Total operating expenses of \$3.9M were favorable to budget by \$276k or 6.5% due mainly to combined salaries, wages, and benefits \$203k, medical supplies of \$47k, and repairs and maintenance \$23k. Total YTD net margin was (\$1.6M) compared to a budgeted loss of (\$1.2M) for a negative variance of (\$439k). As of August 2020, the Clinics has been awarded \$3.1M in COVID-19 grants from HRSA (\$3.0M) and the CARES Act (\$52K) to make up for lost revenue related to the pandemic and to prevent, prepare, respond with increase healthcare capacity and staffing levels for COVID-19. These funds were appropriated under the HRSA and the CARES Act to cover health care related expenses or lost revenues that are attributable to coronavirus and to expand testing and increase health care capacity. The Clinics through August have recognized \$2.3M of the \$3.1M and the 3 remaining monies will be recognized in coming months as the Clinics incur payroll and other expenses related to COVID-19 due to the implementation of countywide testing to respond to COVID-19. The District has established strong internal control systems to ensure compliance with grantor requirements. On the Comparative Statement of Net Position, due from other governments increased by \$1.5M to \$4.3M, this balance is due mainly from Health Resources and Service Administration (HRSA). The District subsidy YTD for the Medical and Dental clinics are \$9.5M, and \$1.7M respectively for a combined subsidy of \$11.2M.

Mr. Smith asked about the difference in how some clinics have recovered as opposed to others, and what potential factors might be contributing to this. Dr. Andric explained that changes in available staff in some clinics could possibly be a factor. Because of social distancing, some locations can have more providers than others; i.e. more pediatric providers in one location, will allow for more

pediatric volume there. Mr. Smith asked about operating expenses of the clinics and how they vary. Mr. Snook explained that for some clinics, dental services were stopped (reducing the volume of billable visits) while the dental providers continued testing in the field at their regular salaries. Dr. Andric also added that another factor is that clinics like Jupiter are more expensive because they are smaller in size yet cannot operate without a certain amount of staff regardless of patient volume.

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

9. VP and Executive Director of Clinic Services Comments

None.

10. Board Member Comments

None.

11. Establishment of Upcoming Meetings

November 30, 2020 (TBD)
12:15pm Finance Committee

December 16, 2020 (TBD)
12:15pm Finance Committee

12. Motion to Adjourn

Ms. Jackson-Moore made a motion to adjourn. The motion was duly seconded by Mr. Elder. A vote was called, and the motion passed unanimously.

There being no further business, the meeting was adjourned at 12:33 p.m.



DCHI Finance Committee Chair

11/27/21

Date