



**DISTRICT CLINIC HOLDINGS, INC.
d.b.a. C.L. BRUMBACK PRIMARY CARE CLINICS
BOARD OF DIRECTORS FINANCE COMMITTEE
MEETING MINUTES
October 30, 2019
1515 N. Flagler Drive
West Palm Beach, FL 33401**

1. Call to Order

Mr. Elder called the meeting to order at 12:19 p.m.

A. Roll Call

Committee members present: James Elder, Michael Smith

Committee members excused: Gary Butler

Staff present included: Dr. Belma Andric, VP & Executive Director of Clinic Services; Darcy Davis, CEO; 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. Smith 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

A. Staff Recommends a MOTION TO APPROVE:

C.L. Brumback Primary Care Clinics Finance Committee Minutes of September 25, 2019.

CONCLUSION/ACTION: Mr. Smith made a motion to approve the C.L. Brumback Primary Care Clinics Finance Committee minutes of September 25, 2019 as presented. The motion was duly seconded by Mr. Elder. A vote was called, and the motion passed unanimously.

7. Consent Agenda – Motion to Approve Consent Agenda Items

A. ADMINISTRATION

7A-1 RECEIVE AND FILE:

October 2019 Internet Posting of District Public Meeting
<http://www.hcdpbc.org-Resources-Public Meetings>

7A-2 RECEIVE AND FILE:

Attendance Tracking

7A-3 RECEIVE AND FILE:

Proposed Schedule for 2020 Finance Committee Meetings

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.

8. Regular Agenda

A. FINANCE

8A-1 RECEIVE AND FILE:

C.L. Brumback Primary Care Clinics Finance Report: September 2019

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

The September unaudited statements represent the financial performance for the twelve months of the 2019 fiscal year for C.L. Brumback. Total revenue is favorable to budget by \$6.7M due to the grant recognition, unbudgeted District Care subsidy \$1.1M, Low Income Pool (LIP) award \$2.7M as well as shared savings from Blue Cross Blue Shield "BCBS" of \$2.3M. Expenses before depreciation are better than budget by \$109k or 0.4%. Volumes for medical and dental are behind budget by 13,236 or 9.1% year to date. The volume variances are attributable to the ramp-up of the new strategy of integration of dental visits with medical visits, which is slowing productivity. The District has subsidized a total of \$4.6M to support their operations.

Within the medical clinics, revenue is ahead of budget by \$6.1M YTD which is primarily attributed to the Health Resources and Services Administration (HRSA) grant of \$1.9M, net patient revenue of \$1.6M and unbudgeted \$2.3M of shared savings from BCBS. Positive variance in net patient revenue is a result of unanticipated LIP revenue of \$1.9M and unbudgeted District Cares subsidy payment of \$923k for clinic visits. Effective May 1, 2019, the District Cares subsidy ended. Expenses in the medical clinics are \$198k above budget. Significant savings are in salaries and benefits of \$296k; these expenses are related to higher vacancy rates than budgeted. Medical services has a positive variance of \$174k which is attributable to lower than anticipated laboratory services expenses due to the change of provider. However, there are unfavorable variances that offset the positive variance. Purchased services has a negative variance of \$81k primarily due to higher collection fees from Athena, higher consulting fees related to grant writing and UDS report writing totaling \$34k in professional services, security services of \$32k, and contracted personal services of \$29k. Repairs and maintenance is unfavorable by \$245k due to higher than anticipated software maintenance costs related to transitioning from Allscripts to Athena.

The dental clinics' revenue is ahead of budget by \$576k YTD primarily attributable to the HRSA grant of \$76k and net patient revenue of \$509k. This positive variance is caused by unanticipated LIP revenue of \$813k, and unbudgeted District Cares subsidy payment of \$226k for clinic visits. Total expenses of \$4.5M are under budget by \$307k due mainly to lower than budgeted salaries and benefits.

On the Comparative Statement of Net Position, due from other governments increased as result of LIP anticipated payment of approximately \$649k from AHCA State Fiscal Year 2019-2020. The District subsidy year to date for the clinic is \$4.6M.

Dr. Andric Asked about the presentation of the data to allow for an easier understanding of what the financial data says. Mr. Snook agreed with Dr. Andric and stated that his team will reengineer the pie chart. Mr. Smith asked about the chart on page 26 about the unduplicated patients, total clinic revenue per visit, and total operating expenses by clinic. Mr. Snook pointed out that the net revenue is 172 for almost all of the clinics and have expense numbers lower than 172 which means that they either break even or perform better in that sense. Mr. Smith states that he understands but would like to be presented with total expense over time. Mr. Snook agrees to present this information going forward. Mr. Smith also asked about clinic visits increasing by 3% over last year, but how expenses have gone up from last year at approximately 8.6%. Dr. Andric explains that this could be due to a reallocation of funds, and that the data may not be the most objective in nature due to said outliers. An example of these changes where the labs that were once going to the department of health. Labs are now being charged to the Clinics. In addition to this there were changes in FTEs and merit based Increase in salary after annual review district wide; and we have also increased in the comprehensive services offered in the clinics providing for an improvement in treatment quality.

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

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

C.L. Brumback Primary Care Clinics Fiscal Year 2020 Proposed Budget.
(Mina Bayik)

Mr. Smith asked with the projected actual for this year's grant funds to be \$10.5 million why the proposed budget is 7.6. Ms. Bayik explained that in Fiscal Year 2019, the district changed the method by which it recognized grant funds. Prior to that, they were recognized as 1/12th of the HRSA based grant each month. Then there was a switch to recognize grant funds as the expenses were made. So in fiscal year 2019 we had three months of the calendar year 2018 based grant which leave the district with an extra quarter of grant revenue as a result of the change in how grants were recognized. Mr. Smith then asks about medical services projected being approximately half of the proposed budget. Ms. Bayik explains that the pharmacy drug costs for district cares were not shifted to the clinics until the first of June. This resulted in an actual for 2019 which is only 4 months of district cares (June-October). Mr. Smith asks about the total overhead allocation change from \$4.093 million to \$4.8 million. Ms. Bayik explains that the overhead allocations are based on the budgets of the Health Care District's administration departments (Legal, Administration, Finance, HR, etc.). The way the calculations are made for the clinic's portion is that the expense pool is examined, and if the clinics are 20% or 15% of the budget, they receive the allocation. Ms. Davis clarifies the idea that the district will have to provide more funding. The District will be providing funding but they will be changing the method by which subsidies, etc. will work.

CONCLUSION/ACTION: Staff Recommends the Finance Committee Forward Their Recommendation for Board Approval

9. VP and Executive Director of Clinic Services Comments

None.

10. Board Member Comments

None.

11. Establishment of Upcoming Meetings

October 30, 2019 (HCD Board Room)

12:15pm Finance Committee

November 27, 2019 (HCD Board Room)

12:15pm Finance Committee

December 18, 2019 (HCD Board Room)

12:15pm Finance Committee

12. Motion to Adjourn

Mr. Smith 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 12:45 p.m.



DCHI Finance Committee Chair

12/11/19

Date