



**DISTRICT CLINIC HOLDINGS, INC.
d.b.a. C.L. BRUMBACK PRIMARY CARE CLINICS
BOARD OF DIRECTORS FINANCE COMMITTEE
MEETING MINUTES
May 27, 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, Mike Smith
Committee members excused:

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, Director of Clinical Operations and Pharmacy Services; Thomas Cleare, AVP of Planning and Community Engagement; Martha Hyacinthe; Deborah Hall, VP & Chief Compliance & Privacy 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. Elder. A vote was called, and the motion passed unanimously.

3. Awards and Presentations

None.

District Clinic Holdings, Inc.
d.b.a. C.L. Brumback Primary Care Clinics
Board of Directors Finance Committee
Meeting Minutes
May 27, 2020
Page 2 of 5

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 December 11, 2019.

CONCLUSION/ACTION: Mr. Smith made a motion to approve the Meeting Minutes of December 11, 2019. The motion was duly seconded by Elder. A vote was called, and the motion passed unanimously.

6A-2 **Staff recommends a MOTION TO APPROVE:**
Finance Committee Meeting Minutes of February 26, 2020.

CONCLUSION/ACTION: Mr. Smith made a motion to approve the Meeting Minutes of February 26, 2020. 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

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:**
May 2020 Internet Posting of District Public Meeting
<http://www.hcdpbc.org-Resources-Public Meetings>

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

District Clinic Holdings, Inc.
d.b.a. C.L. Brumback Primary Care Clinics
Board of Directors Finance Committee
Meeting Minutes
May 27, 2020
Page 3 of 5

8. Regular Agenda

A. FINANCE

8A-1 RECEIVE AND FILE:

Mr. Snook, VP & CFO presented the C.L. Brumback Primary Care Clinics Finance Report: March 2020

The March statements represent the financial performance for the sixth month of the 2020 fiscal year for C.L. Brumback Primary Care Clinics. Total YTD revenue was unfavorable to budget by (\$765k) due mostly to timing of grant revenue recognition. Expenses before depreciation were over budget by (\$138k) or (1.1%) due mostly to negative variances in purchase services (\$122k), medical supplies (\$32k), and repair and maintenance (\$131k). Total YTD net margin was (\$7.3M) compared to budget of (\$6.5M) for a variance of (\$838k). The Medical clinics total YTD revenue was unfavorable to budget by (\$334k), this unfavorable variance resulting from grant revenue timing of (\$1.2M), was mostly offset by positive net patient revenue of \$801k. Increased gross patient revenue over budget of \$269k or 3.0% was the main reason for the favorable net patient revenue. Total operating expenses of \$10.9M were unfavorable to budget of \$10.6M by (\$280k) or (2.6%). This negative variance is mostly related to purchase services having an unfavorable variance of (\$111k), which is primarily due to higher collection fees from Athena. Medical supplies is unfavorable to budget by (\$54k) due to unanticipated supplies purchase. Repairs and maintenance is unfavorable to budget by (\$143k) primarily due to unanticipated Allscripts software maintenance cost. Total YTD net margin of (\$6.3M) was unfavorable to budget of (\$5.8M) by (\$556k) or (9.6%). The Dental clinics gross patient revenue was favorable to budget by \$138k or 6.5%. Total revenue of \$1.6M was under budget of \$2.0M by (\$431k) or (21.2%) due to increased charity care of (\$114k) and contractual allowance of (\$119k). In addition, grant funds revenue was under budget by (\$192k) due to the timing of grant revenue recognition and YTD other patient revenue is unfavorable to budget by (\$155k) due to less than anticipated LIP payments. Total operating expenses of \$2.2M were favorable to budget by \$142k or 6.2% due mainly to combined salaries, wages, and benefits \$101k, medical supplies of \$21k, and repairs and maintenance \$11k. Total YTD net margin was (\$994k) compared to a budget loss of (\$713k) for a variance of (\$282k). On the Comparative Statement of Net Position, due from other governments is comprised of approximately \$2.3M from Health Resources and Service Administration (HRSA). The District subsidy YTD for the medical and dental clinics are \$6.3M, and \$967k respectively for a combined subsidy of \$7.2M. Mr. Smith pointed out that contractual allowance on gross revenue overall has gone way down, in other words means that there is less of a contractual adjustment, in turn improving net revenue (in comparison to last year). He [Smith] asked if this is due to better collection results. Mr. Snook answered that an improvement in the collection

District Clinic Holdings, Inc.
d.b.a. C.L. Brumback Primary Care Clinics
Board of Directors Finance Committee
Meeting Minutes
May 27, 2020
Page 4 of 5

process and a push in revenue cycle management are, in fact the reasons for this; and have yielded much better collections and more fees. Ms. Davis, CEO, further explained that there were some lump sum / cumulative collections from payers that they were able to achieve (i.e \$900k from sunshine, etc.). Although the numbers seem to be very high at the moment, they are more than likely to regress to the mean and move closer to last year's numbers. Mr. Snook stated that there have been many special projects with billing with bills that were stuck in the billing cycle, weren't collected on, and were cleared by working with the payers to get those bills paid. Mr. Smith asked about medical supplies being over budget and if that had anything to do with the pandemic or if it could be attributed to something else. Mr. Snook explained that only a little bit of that could be attributed to the pandemic because this report was only up until March 13th and we will see those numbers go up in future reports for May and June. Mr. Smith asked if there could possibly be an update on what has happened in the clinics during the pandemic (furloughs, clinic closings, etc.). Dr. Andric explained that she will go into detail during the Board meeting. Mr. Smith asked when Mr. Snook puts together the monthly management discussion piece that if any deviation in numbers that is due to events like a pandemic that it be annotated for the board members to make it a bit easier to understand. Mr. Snook agreed and stated that there will be a better picture going into April and May explaining how the money was spent in those reports. Mr. Smith asked about patient statistics in February. Mr. Snook states that he will provide the statistics at the next board meeting.

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

9. VP and Executive Director of Clinic Services Comments

Dr. Andric said that she will be providing updates and discussion on the Clinics' activities during the board meeting.

10. Board Member Comments

Mr. Smith asked about addressing the vacant spot in the finance committee during the Board meeting. Dr. Andric answered that there is an agenda item to address the matter.

11. Establishment of Upcoming Meetings

June 24, 2020 (Zoom Webinar)

12:15pm Finance Committee

July 29, 2020 (TBD)

District Clinic Holdings, Inc.
d.b.a. C.L. Brumback Primary Care Clinics
Board of Directors Finance Committee
Meeting Minutes
May 27, 2020
Page 5 of 5

12:15pm Finance Committee
11. Establishment of Upcoming Meetings (Cont'd)

August 26, 2020 (TBD)

12:15pm Finance Committee

September 30, 2020 (TBD)

12:15pm Finance Committee

October 28, 2020 (TBD)

12:15pm Finance Committee

November 25, 2020 (TBD)

12:15pm Finance Committee

December 16, 2020 (TBD)

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 12:28 p.m.

DocuSigned by:

James Elder

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DCHI Finance Committee Chair

6/29/2020

Date