



**DISTRICT CLINIC HOLDINGS, INC.  
d.b.a. C.L. BRUMBACK PRIMARY CARE CLINICS  
BOARD OF DIRECTORS FINANCE COMMITTEE  
MEETING MINUTES  
July 29, 2020  
Zoom Webinar Meeting**

**1. Call to Order**

Mr. Smith called the meeting to order at 12:14 p.m.

A. Roll Call

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

**4. Disclosure of Voting Conflict**

None.

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**5. Public Comment**

None.

**6. Meeting Minutes**

6A-1 **Staff recommends a MOTION TO APPROVE:**  
Finance Committee Meeting Minutes of June 24, 2020.

**CONCLUSION/ACTION: Mr. Elder made a motion to approve the Meeting Minutes of June 24, 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. Elder made a motion to approve the Consent Agenda items. The motion was duly seconded by Ms. Jackson-Moore. A vote was called, and the motion passed unanimously.**

**A. ADMINISTRATION**

7A-1 **RECEIVE AND FILE:**  
July 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 **RECEIVE AND FILE:**  
C.L. Brumback Primary Care Clinics Finance Report: May 2020

The May statements represent the financial performance for the eight month of the 2020 fiscal year for C.L.Brumbback Primary Care Clinics. Total YTD revenue was unfavorable to budget by (\$783k) due mostly to grant revenue timing and closure of clinics starting mid-March through May. Net patient revenue YTD was unfavorable to budget by (\$59k). 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 (\$261k) or (1.5%) due mostly to negative variances in salaries and wages (\$129k), purchase services (\$105k), medical services (\$32k), and repair and maintenance (\$143k). Total YTD net margin was (\$8.5M) compared to budget of (\$7.4M) for a variance of (\$1.1M) or

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(15.3%). The Medical clinics total YTD revenue was unfavorable to budget by (\$245k), this unfavorable variance resulted from grant revenue timing of (\$1.3M). Gross patient revenue under budget of (\$2.5M) or (20.2%) 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 \$14.7M were unfavorable to budget of \$14.1M by (\$523k) or (3.7%). This negative variance is mostly related to salaries, wages and benefits (\$261k), purchase services (\$92k), medical supplies (\$43k), medical services (\$32k) and repairs and maintenance (\$160k). 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 (\$7.5M) was unfavorable to budget of (\$6.7M) by (\$828k) or (12.5%). The Dental clinics gross patient revenue was unfavorable to budget by (\$505k) or (17.7%). Total revenue of \$2.4M was under budget of \$2.9M by (\$538k) or (18.4%) due to grant revenue recognition timing, as well as reduced services. Total operating expenses of \$2.8M were favorable to budget by \$261k or 8.6% due mainly to combined salaries, wages, and benefits \$169k, medical supplies of \$60k, and repairs and maintenance \$17k. Total YTD net margin was (\$1.0M) compared to a budgeted loss of (\$727k) for a variance of (\$299k). As of May 15, 2020, the District has been awarded \$3M in COVID-19 grants from HRSA (\$2.9M) and the CARES Act (\$50K) to make up for lost revenue related to the pandemic and to prevent, prepare, respond with increased 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 May have recognized \$809k of the \$3M and the 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, dues from other government entities decreased to \$2.8M. This balance is due mainly from Health Resources and Service Administration (HRSA). The District subsidy YTD for the Medical and Dental clinics are \$9.2M, and \$1.4M respectively for a combined subsidy of \$10.6M.

Mr. Smith asked where the expenses for the testing cost get charged. Mr. Snook answered that we are still charging to the salaries and wages budget we usually charge, as we did set up new department budgets. We are charging through the clinics and we are also receiving help from the grants, offsetting the increased expenses. Mr. Smith asked that when we initially shut down certain clinics were the costs for employees working at the testing clinics still go through to their home clinics. Mr. Snook confirmed that that was correct. Ms. Jackson-Moore asked about the discussion around losses and how the CARES dollars have helped mitigate those losses. Mr. Snook explained that the Clinics operated at a loss even before the pandemic, and that the Health care district funds any losses that the clinics have. The pandemic increased both revenue and expenses, CARES has helped. We are expecting \$3 million so far in CARES money, and have recognized \$809k so far. Dr. Andric asked if the CARES money is included in the additional grants category. Mr. Snook answered yes, in the financial statement the CARES fund falls under "other financial assistance". Dr. Andric asked Ms. Steele for the breakdown of HRSA CARES monies. Ms. Steele provided a breakdown: \$150k, \$2M, 800K in a third installment. Dr. Andric further on explained to Ms. Jackson Moore that when speaking about losses, these are budgeted, as the clinic cannot operate on just the patient and grant revenue. The

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HCD subsidizes the remainder. Mr. Smith asked about the changes in patient revenue between this year and last year and why it was budgeted so low for this year. Mr. Snook explained that though he was not a part of that budget, he assumes that the budget was constructed based on expected volume. What did change is that we had a lot more charity care in comparison to last year, however we have also improved on collecting on our contractual allowances, and our eligibility process. Mr. Smith asked if the school nurses were reassigned to COVID testing units. Dr. Andric answered that many were and still are part of testing operations. Ms. Davis, CEO, explained that of the 224 nurses, 55 were assigned to do other work as most wanted to keep their schedule where they did not work during the summer. She continued to say that she is confident that Dr. Andric and Dr. Fritsch will integrate the other nurses into the testing operations.

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

**9. VP and Executive Director of Clinic Services Comments**

None.

**10. Board Member Comments**

Mr. Elder asked about employee morale with uncertainty and stress that surrounds the pandemic, especially with staff that have young children, etc. Dr. Fritsch answered that morale seems to be pretty good especially with the clinic staff, even though some might feel a bit worn down. This pandemic has given the team the opportunity to pull together as opposed to being pushed apart. Dr. Fritsch commended her staff for being willing to go anywhere and do anything requested of them, and expressed pride in the way they have conducted themselves.

Dr. Andric explained that we have had some staff that contracted the virus, but we have been lucky to receive them all back after recovery. Dr. Fritsch went on to say that staff continues to return after recovery. Dr. Andric also stated that there isn't a stigma around the company when it comes to COVID. Those who are sick, recover, and return to work.

**11. Establishment of Upcoming Meetings**

**August 26, 2020 (TBD)**

12:15pm Finance Committee

**September 30, 2020 (TBD)**

12:15pm Finance Committee

**October 28, 2020 (TBD)**

12:15pm Finance Committee

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**November 25, 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 12:38 p.m.

DocuSigned by:  
*Mike Smith*  
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**DCHI Finance Committee Chair**

8/26/2020

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**Date**