



**DISTRICT CLINIC HOLDINGS, INC.
d.b.a. C.L. BRUMBACK PRIMARY CARE CLINICS
BOARD OF DIRECTORS FINANCE COMMITTEE
MEETING MINUTES
August 26, 2020
Zoom Webinar Meeting**

1. Call to Order

Mr. Smith called the meeting to order at 12:17 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; Patricia Lavelly, Interim CIO

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.

District Clinic Holdings, Inc.
d.b.a. C.L. Brumback Primary Care Clinics
Board of Directors Finance Committee
Meeting Minutes
August 26, 2020
Page 2 of 5

5. Public Comment

None.

6. Meeting Minutes

6A-1 **Staff recommends a MOTION TO APPROVE:**
Finance Committee Meeting Minutes of July 29, 2020.

CONCLUSION/ACTION: Ms. Jackson-Moore made a motion to approve the Meeting Minutes of July 29, 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. 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:**
August 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: June 2020

The June statements represent the financial performance for the ninth month of the 2020 fiscal year for C.L. Brumback Primary Care Clinics. Total YTD revenue was unfavorable to budget by (\$1.6M) due mostly to grant revenue timing and closure of clinics starting mid-March through May. Net patient revenue YTD was unfavorable to budget by (\$367k). The COVID-19 national emergency started mid-March and 9 clinics were closed to start countywide COVID-19 testing. Expenses

District Clinic Holdings, Inc.
d.b.a. C.L. Brumback Primary Care Clinics
Board of Directors Finance Committee
Meeting Minutes
August 26, 2020
Page 3 of 5

before depreciation were over budget by (\$610k) or (3.2%) due mostly to negative variances in salaries, wages, and benefits (\$416k), purchase services (\$102k), medical services (\$95k), and repair and maintenance (\$145k). Total YTD net margin was (\$10.2M) compared to budget of (\$7.9M) for a variance of (\$2.3M) or (29.4%).

The Medical clinics total YTD revenue was unfavorable to budget by (\$738k), this unfavorable variance resulted from grant revenue timing of (\$2.2M). Gross patient revenue under budget of (\$2.8M) or (19.9%) 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 \$16.8M were unfavorable to budget of \$15.9M by (\$872k) or (5.5%). This negative variance is mostly related to salaries, wages and benefits (\$562k), purchase services (\$89k), medical supplies (\$46k), medical services (\$95k) and repairs and maintenance (\$164k). 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 (\$8.8M) was unfavorable to budget of (\$7.1M) by (\$1.6M) or (23.1%). The Dental clinics gross patient revenue was unfavorable to budget by (\$796k) or (24.6%). Total revenue of \$2.5M was under budget of \$3.4M by (\$911k) or (27.0%) due to grant revenue recognition timing, as well as reduced services. Total operating expenses of \$3.2M were favorable to budget by \$262k or 7.6% due mainly to combined salaries, wages, and benefits \$146k, medical supplies of \$75k, and repairs and maintenance \$19k. Total YTD net margin was (\$1.4M) compared to a budgeted loss of (\$737k) for a variance of (\$667k).

As of June 2020, the Clinics have been awarded \$3.1M in COVID-19 grants from HRSA (\$3.0M) and the CARES Act (\$51K) 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 May have recognized \$1.4M of the \$3.1M 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, due from other governments increased to \$3.6M, 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 about the unfavorable variance as a result of the grant revenue timing of \$2.2M, how we have recognized \$1.4M of the \$3.1M expected. Mr. Snook

District Clinic Holdings, Inc.
d.b.a. C.L. Brumback Primary Care Clinics
Board of Directors Finance Committee
Meeting Minutes
August 26, 2020
Page 4 of 5

explained to Mr. Smith that those were two separate grants. The first grant was being recognized on a monthly basis, and now it is being recognized as the funds are utilized. The other financial assistance, however, is from the CARES act and HRSA grant monies focused on COVID-19 relief.

Mr. Smith asked why salaries and benefits are running over budget when clinic volumes are down. Mr. Snook explained that these employees are utilized to conduct testing, and the grant helps cover these costs. Mr. Smith the asked if that would also be the explanation for medical supplies and medical services being unfavorable also. Mr. Snook confirmed.

Mr. Smith asked if testing is still going on. Dr. Fritsch answered that she has a detailed report ready to present to the board at the board meeting during the Operations segment.

Mr. Elder pointed out that the numbers are out of the norm and all over the place because of our efforts to fight the spread of COVID-19; and that being a government entity, we have an advantage when it comes to having the funds to provide care to those who need it without compromising on safety. Mr. Elder also explained that he does have some reservations when it comes to going in to the dental clinic because of the virus, but he is happy that our doors are open for patients if ever they need care. Mr. Snook answered that we did just start to open our dental clinics this month because of that. Dr. Andric clarified that we always had the clinics open for dental emergencies, but w Mr. Snook answered that we did just start to open our dental clinics this month because of that. Dr. Andric clarified that we always had the clinics open for dental emergencies, but the clinics will start conducting pediatric dental procedures within the next week. The clinics have just received special aspirators to help increase safety for all patients and staff in addition to their PPE.

Mr. Smith asked what we are doing with the clinics in terms of reopening. Dr. Andric answered that we have been advertising everywhere and informing the community. We have moved half of our business to Telemedicine and the other half of our appointments are at our brick and Mortar locations to decrease density.

Ms. Davis asked Dr. Andric if she shared information on the Phreesia platform with the board. Dr. Andric answered that the board was informed about Phreesia and diffusing density at a previous meeting. Dr. Andric briefly recapped the process involving Phreesia, COVID screening, registration, etc.

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

District Clinic Holdings, Inc.
d.b.a. C.L. Brumback Primary Care Clinics
Board of Directors Finance Committee
Meeting Minutes
August 26, 2020
Page 5 of 5

9. VP and Executive Director of Clinic Services Comments

Dr. Andric expressed how proud she was of the finance committee and the board as whole as to how they have been able to make our meetings on zoom consistently.

10. Board Member Comments

Mr. Smith asked about the possibility moving the November finance committee / board meetings as they are scheduled for the day before thanksgiving. Ms. Steele answered that we could possibly move the meetings, the only issue is that they have to fall within the month of November. Ms. Shahriari suggested moving the meeting the 30th of November. Which would allow for the meeting to fall both in November and after thanksgiving festivities. Mr. Smith answered that he will bring this up at the board meeting scheduled for later in the day.

11. Establishment of Upcoming Meetings

September 30, 2020 (Zoom)

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. Elder 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 12:35 p.m.

DocuSigned by:

Mike Smith

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DCHI Finance Committee Chair

10/2/2020

Date