



**DISTRICT CLINIC HOLDINGS, INC.  
d.b.a. C.L. BRUMBACK PRIMARY CARE CLINICS  
BOARD OF DIRECTORS FINANCE COMMITTEE  
MEETING MINUTES  
September 25, 2019  
1515 N. Flagler Drive  
West Palm Beach, FL 33401**

**1. Call to Order**

Mr. Elder called the meeting to order at 12:21 p.m.

**A. Roll Call**

Committee members present: James Elder, Gary Butler

Committee members excused: Michael Smith

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. Butler 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.

**5. Public Comment**

None.

**6. Meeting Minutes**

**A. Staff Recommends a MOTION TO APPROVE:**

C.L. Brumback Primary Care Clinics Finance Committee Minutes of August 28, 2019.

**CONCLUSION/ACTION:** Mr. Butler made a motion to approve the C.L. Brumback Primary Care Clinics Finance Committee minutes of August 28, 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**

**CONCLUSION/ACTION:** Mr. Butler 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:**

September 2019 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: August 2019

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

The August statements represent the financial performance for the first eleven months of the 2019 fiscal year for C.L. Brumback. Total revenue is favorable to budget by \$7M due to the grant recognition, unbudgeted District Care subsidy \$1.1M, Low Income Pool (LIP) award \$2.5M as well as shared savings from Blue Cross Blue Shield "BCBS" of \$2.3M. Expenses before depreciation are better than budget by \$304k or 1.3%. Volumes for medical and dental are behind budget by 11,562 or 8.6% 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 \$4.2M to support their operations. Within the medical clinics, revenue is ahead of budget by \$6.3M YTD which is primarily attributed to the Health Resources and Services Administration (HRSA) grant of \$2.4M, net patient revenue of \$1.0M and unbudgeted \$2.3M of shared savings from BCBS. Positive variance in net patient revenue is a result of unanticipated LIP revenue of \$1.7M 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 \$2k above budget. Significant savings are in salaries and benefits of \$362k; these expenses are related to higher vacancy rates than budgeted. Medical services has a positive variance of \$172k 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 \$62k 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 \$14k, and contracted personal services of \$29k. Repairs and maintenance is unfavorable by \$270k due to higher than anticipated software maintenance costs related to transitioning from Allscripts to Athena. The dental clinics' revenue is ahead of budget by \$674k YTD primarily attribute to the HRSA grant of \$188k and net patient revenue of \$494k. This positive variance is caused by unanticipated LIP revenue of \$767k, and unbudgeted District Cares subsidy payment of \$226k for clinic visits. Total expenses of \$4.1M are under budget by \$306k 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 \$432k from AHCA State Fiscal Year 2019-2020. The District subsidy year to date for the clinic is \$4.2M.

Mr. Butler inquired about the transition from Allscripts to Athena how it seems to be running over budget on a regular basis, and why that is. Mr Snook explains that this could be due to a budgeting error when estimating the costs associated with the transition from Allscripts to Athena. Ms. Davis goes on to explain that when the budget was created, It was anticipated that the company would be able to transition from Allscripts a lot faster than it actually did, and the Health Care District ended up carrying both services for a lot longer than expected.

Mr. Butler asked about where the overhead allocation is listed for Ambulatory Care. Mr. Snook answers that pages 11 and 12 show the overhead categories that are

applied to the clinics. Mr. Butler also asks if the overhead allocation is decided on annually. Mr. Snook affirms Mr. Butler that he is correct.

Mr. Elder asks about the decrease in volume, the new Medical Dental Integration (MDI) strategy, how productivity is slowing down as a result, and if there is an explanation. Dr. Andric explains that the clinics had to provide enough space in adult dental chairs to accommodate pediatric patients for the Integration and implementation of same-day visits. In order to make sure that this happened, we had to proactively slow down the scheduling of Adults in order to free the chairs for pediatric patients. Since then the volume has leveled out and come back to the norm.

Mr. Elder asks about the District cares subsidy coming to an end and if there will be other streams of revenue. Dr. Andric explains that we were initially paying per patient per visit. Ms. Davis goes into further detail stating that the ultimate loss is what becomes subsidized at the bottom of the page instead of listed in the revenue. Because it was a bit misleading as it appeared as if the clinics were collecting a lot more in revenue than they really were. This way it is easier to evaluate the clinic finances as standalone items before the implementation of HCD aid and should provide more clarity for auditors, etc. Even with the \$60 / patient was an arbitrary amount and even then there were still losses or gains and it became a bit hard to analyze. This move should allow for more clarity in the future.

Mr. Butler asks about Shared expenses and Allocation of General Overhead, and if there is a general ledger that outlines all vendors and the services they provide. Mr. Snook confirms that there is such ledger. Mr. Butler asks about when we budget for the ambulatory care, if we conduct it jointly with the Health Care District, or if is done separately and then presented to the HCD where the overhead allocation is then determined. Ms. Davis informs Mr. Butler that the decision is carried out jointly on the executive side when it comes to the big picture discussion. The smaller and detailed decisions are then brought over from the clinics themselves. For example HR allocation is based on the number of employees (%) whereas revenue cycle is based on the amount of revenue brought in by the clinics. The HCD tries to be mindful of its overhead spending and makes sure that the money spent is spent with its intended purpose in mind.

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

#### **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. Butler 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

10/30/2019  
Date