

SUSQUEHANNA COMMUNITY HEALTH AND DENTAL CLINIC, INC.

Finance and Audit Committee Meeting Minutes

December 14, 2020 5:00 PM

PRESENT: Dewy Hilliard, Board Treasurer; Barb Barbus, Board Secretary; Adanna Akujieze; Kim Wetherhold; Abbey Eschbach, Board Vice-Chair; Phil Allen, Senior Accountant; Max Houseknecht, Jr., CFO; and Jim Yoxtheimer, President & CEO (ex-officio)

I November 2020 Financial Report

The highlights of the Financial Report were reviewed for November 2020 as were set forth on the summary provided to the committee, which is hereby incorporated for all purposes herein. Max reported that for the month of November there was an excess of revenues over expenses of \$1,170,75, without the PPP Loan there would have been a deficiency of revenues over expenses of \$34,807. This takes the YTD excess of revenues over expenses to \$1,172,302. Max reviewed the net income by facility/department indicating the amounts shown in red remove the PPP loan forgiveness. Max reviewed the patient revenue analysis; patient visits were under 1,250 for the month mostly due to COVID. Patient revenue was under budget by \$217,554 due to medical services revenue being under budget by \$129,365; general dental services revenue being under budget by \$47,571; reproductive health services revenue being under budget by \$8,195; pharmacy revenue was over budget by \$23,630; outreach services was under budget by \$34,034; chiropractic services revenue was under budget by \$23,956; and behavioral health services was over budget by \$1,937.

Max reported the PPP Loan revenue was over budget by \$1,205,560 due to the receipt of full forgiveness by the Small Business Administration. The Finance Department has reached out to Baker Tilly to be sure this was documented as it should be. The 340b drug program income for contract pharmacy was over budget by \$43,662 due to increased capture rates with Pharmaforce for the Wegmans and Walmart contract pharmacies as well as referral prescription program revenue. The Community Health Center Base funding was over budget by \$166,438 due to the utilization of additional funds that were delayed from the PPP Loan. Supplemental federal grants revenues were over budget by \$34,842 due to drawdowns associated with supplemental awards not initially budgeted, such as COVID-19, OHI, and SUD-MH funds.

Phil reported the Expense Analysis as follows: Expenses were under budget by \$4,289. Factoring out Grant related expenses that were unbudgeted of \$12,880 total expenses would have been under budget by \$17,169. Total salaries, benefits, & payroll expenses were under budget by \$51,352 due largely to savings in budgeted FICA and health insurance expenses. Total clinical supplies were under budget by \$4,589 due to lower than budgeted patient visits. Environmental supplies were over budget by \$9,357 due to continued costs associated with additional COVID-19 cleaning procedures. Minor equipment was over budget by \$8,754 due largely to costs associated with preparations for Express Care Services and unexpected hardware upgrades. Recruitment/Retention was over budget by \$5,597 due to increased costs associated with provider recruitment. Telehealth services were over budget by \$7,696 due costs associated with increased provider time. Pharmacist contract was over budget by \$5,183 due to increased costs associated with a per diem pharmacist to cover pharmacist PTO. Temp staffing fees were over budget by \$8,291 due to costs associated with the Locum Tenens dentist. 340 b admin fees

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for contract pharmacy were under budget by \$6,498. Maintenance contracts/building repairs were over budget by \$5,349 due largely to costs associated with preparing Express Care. Depreciation was over budget by \$6,818 due to the purchase of equipment largely using supplemental grant funding, that was not initially budgeted.

Phil reported the Balance Sheet Highlights indicating the 340b receivable was at \$429,034, a decrease over the prior month of \$19,811. Accounts Payable was at \$238,453 an increase over the prior month of \$54,083. Accrued PTO Payable increased by \$17,971 and accrued med leave payable increased by \$3,533. Super money market fund balance is \$171,668.74 with no transfers occurring for the month of November. Total cash in the operating accounts at month-end was \$1,569,080.

Motion # 1 Dewy Hilliard made the motion to recommend approval of the November 2020 Financial Report by the Full Board. Barb Barbus seconded the motion. The motion passed unanimously.

a. Summary Report: Max reviewed the Summary Report which will be presented at the Full Board meeting. Net days in A/R climbed to 38, however there were staffing challenges which delayed claims getting to the insurance companies. This should be corrected for December. Days cash on hand increased to 38.4 and the current ratio stayed the same.

II Federal 330 Grant Funds/COVID-19 Grant Funds

Max reviewed the COVID-19 Grant remaining funds indicating the Act 24 PA Funding has been fully spent. Funds are still remaining on the H8D, H8E, Provider Relief funding. In November \$88,425 was spent from the COVID-19 Grant Funds.

Max reported that the Center is still waiting to hear the official word from the Carryforward requests. The request has made it through two layers of approval, and we are now awaiting the formal Notice of Award from HRSA. Once the NOA is received management will be able to work on spending down the remaining balance.

III Noncompeting Continuation Report

Max reviewed with the committee the need for submission of the Noncompeting Continuation Report or Budget Progress Report (BPR). This is required by HRSA annually to be approved by the Finance Committee as well as Full Board. Max indicated if anyone had any questions to please reach out to him and he would review the report.

Motion #2 Dewy Hilliard made the motion to recommend approval of the submission of the Noncompeting Continuation Report by the Full Board. Barb Barbus seconded the motion. The motion passed unanimously.

IV Policy Manual Update

Max reviewed with the committee changes to the Financial Control Policy Manual that are being recommended. There were changes recommended to 4 sections of the manual. 4.2.2 Chart of Accounts added new language regarding new locations. Section 4.2.7 Control, Auditing, and

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Analysis added language regarding 403(b) plan audits. Section 4.7.2 Vendor Selection, Ordering, and Receiving showed several updates regarding purchase order authorizations and approvals. Section 4.7.3 Accounts payable updated the process on invoices that do not meet the requirements for documentation to include language “and then are signed off by the CFO” as well as signature authorizations on standard contracts reviewed quarterly

Motion #3 Dewy Hilliard made the motion to recommend approval of the changes to the Financial Control Policy Manual by the Full Board. Barb Barbus seconded the motion. The motion passed unanimously.

V New Bank Account

Max reported he has been looking into a new bank account with different banking institutions. It is considered a credit risk to have all monies placed in one banking institution. Management is looking to open a checking account with Muncy Bank & Trust Company which would manage our Jersey Shore Dental Practice once open. Other institutions which were looked into do not support nonprofit organizations as Muncy Bank & Trust does. The checking account which is recommended is an interest-bearing checking account. Interest is 60% of the 13-week T bill as quoted in the WSJ at the end of the month, with a minimum rate of 0.25%. No minimum account balance requirement and no account analysis fee. Management is proposing to open an account with Muncy Bank & Trust Company to be used for Jersey Shore Dental use.

Motion #4 Dewy Hilliard made the motion to recommend opening a new banking account with Muncy Bank & Trust Company. Barb Barbus seconded the motion. The motion passed unanimously.

Next Meeting Date: January 11, 2021 @ 5 PM Community Room or Zoom