

SUSQUEHANNA COMMUNITY HEALTH AND DENTAL CLINIC, INC.

Finance and Audit Committee Meeting Minutes

January 11, 2021 5:00 PM

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

I December 2020 Financial Report

The highlights of the Financial Report were reviewed for December 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 December there was an excess of revenues over expenses of \$10,717. This takes the YTD excess of revenues over expenses to \$1,540,790. Without the PPP Loan the excess would be \$335,230. Max reviewed the net income by facility/department indicating the report will continue to show amounts in red which is where the department would be if the PPP loan forgiveness is removed. Max pointed out that the pharmacy continues to do well and over budget. Max reported the patient revenue analysis indicated it was not a good month for visits. The Center's visits were 1,391 under budget for the month. The Center was closed for 1 1/3 days due to the snowstorm in December which accounts for approximately 318 visits. The Committee has asked to see a rebudget factoring in decreased visits due to COVID. The current budget showed visits resuming to normal in November. Max indicated he and Phil will present a rebudget next month. Patient revenue was under budget by \$277,028 for the month due largely to: medical services revenue was under budget by \$157,028, general dental services was under budget by \$84,094, reproductive health services revenue was over budget by \$12,175 (due to the shifting of a provider from medical to reproductive health), pharmacy revenue was over budget by \$20,069, outreach was under budget by \$34,906, chiropractic services was under budget by \$22,799, and behavioral health services was under budget by \$10,597.

In other revenue Max reported Healthy Women/Wise Women revenue was under budget by \$5,422.84 due to an over-accrual in FY20 year-end revenues. Confirmation was made with both Adagio and Family Health Council. Incentive/care gaps revenue was under budget by \$11,899 due to timing of incentive payments. 340b drug program income (contract pharmacy) was over budget by \$63,743 due to increased capture rates with Pharmaforce for the Wegmans and Walmart contract pharmacies as well as referral prescriptions program revenue. Supplemental federal grants revenues were over budget by \$53,828 due to drawdowns associated with supplemental awards not initially budgeted, such as COVID-19, OHI, and SUD-MH funds. Additional funding received through the CMS Provider Relief Fund (Phase 3) of \$67,807.42 to support COVID-19 related expenses.

Phil reviewed the Expense Analysis as follows: Expenses were under budget by \$67,436. Factoring out grant-related expenses that were budgeted of \$15,711, total expenses would have been under budget by \$83,147. Total salaries, benefits, & payroll expenses were under budget by \$122,046 due largely to savings in payroll costs associated with staffing vacancies and new positions not yet filled of \$55,160; savings in budgeted FICA of \$38,689; and health insurance expenses \$27,999. Total clinical supplies were over budget by \$28,995 due to the purchase of COVID-19 testing supplies which were covered with grant monies. Environmental supplies were over budget by \$10,724 due to continued costs associated with additional COVID-19 cleaning procedures. Temp staffing fees were over budget by \$13,776 due to costs associated

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with the locum tenens dentist. Maintenance contracts/building repairs were over budget by \$5,349 due largely to costs associated with preparing Express Care.

Phil reported the balance sheet highlights indicating the accounts payable was at \$248,218. The Super Money Market Fund balance is \$171,712.48 with no transfers occurring for the month of December. Interest accrued was \$43.74. Total cash in the operating accounts at month-end was \$1,615,974 which is an increase of \$46,894 from last month.

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

- **Summary Report:** Max reviewed the Summary Report which will be presented at the Full Board meeting. As the billing department staffing issues have improved so has the net days in A/R. Net days in A/R was 32. Net days in A/P was 38.55. Days cash on hand increased a full day at 39.4. Current ratio is 1.51.

II Federal 330 Grant Funds/COVID-19 Grant Funds

Max reported that for the month of December \$163,496 was spent from the Federal Grant Funds and \$56,849 was spent from the COVID-19 Grant Funds.

III NOA (Notice of Award)

- **Deobligation FY20 Carryforward**
- **Reobligation FY20 Carryforward**

Max explained the NOA's to the committee for the month by indicating both are related to the FY20 Carryforward request. On every NOA the financial information is on Line 20. The first NOA shows a negative amount of \$336,588.18. When funds are still available at the end of the year it is necessary to request a carryforward from HRSA. HRSA will deobligate the funds and move them to a new document, which is shown in the second NOA, Line 20 which shows the positive amount of \$336,574. HRSA has approved the carryforward request and the Center can now spend down the dollars.

IV Vendor Contract Review

Max reviewed the Vendor Contracts that fall under the approved policy change from last month. This policy change improves the efficiency in processing of invoices. This list will be reviewed quarterly. Max indicated he or Phil would be happy to discuss with anyone if there are any questions.

V Mortgage Commitment

Max shared with the committee the mortgage commitment for the Jersey Shore property. C&N offered two different term loans. After review, management opted for option 2 which shows 120 monthly installments in the amount of \$1,786.00 with a fixed interest rate of 3.99% for the first 5 years. It is the intent to not carry the loan for 10 years.

Next Meeting: February 8, 2021 @ 5 PM Community Room, 431 Hepburn Street