

SUSQUEHANNA COMMUNITY HEALTH AND DENTAL CLINIC, INC.
Executive/Finance Committee Meeting Minutes
May 10, 2022 12:00 PM

PRESENT: Kimberly Wetherhold, Board Chair; Chris Ebner, Board Secretary; Josh Warfel; Max Houseknecht, Jr., CFO; Matt McLaughlin, COO; and Jim Yoxtheimer, President & CEO

PRESENT VIA ZOOM: Jean Myers, Board Vice-Chair and Dr. Ralph Kaiser, Board Treasurer

I April 2022 Financial Report

The highlights of the Financial Report were reviewed for April 2022 as were set forth in the summary provided to the committee, which is hereby incorporated for all purposes herein. Max reported that for the month of April there was an excess of expenses over revenues of \$113,419 which brings the YTD excess of expenses over revenues to \$102,150. The YTD increase in net assets was \$322,234. Max reported that patient revenue was under budget by \$169,572.

Reproductive Health, Pharmacy, Express Care Services, and Jersey Shore Dental were over budget which helped offset the shortfalls from Williamsport Dental, Medical services, Neighborhood Care, Chiropractic, and Behavioral Health services.

In Other Revenue, Max reported that 340B drug program revenue was over budget by \$32,046 due largely to better than anticipated capture rates with CVS contract pharmacies. Total federal grants were under budget by \$33,626 due largely to increased staffing budgets associated with the H8F grant that have not yet been hired. State Family Planning funding was under budget by \$13,743 due to a delay in the notice of funding from the Family Health Council for Title X grant funds. Grant for Acquisition of PP&E was over budget by \$18,466 due to the costs associated with the alteration/renovation project at 431 Hepburn Street under the H8F grant.

Max reported the Expense Analysis as follows: Expenses were over budget by \$9,740. Factoring out unbudgeted grant related expenses, month-end total expenses were under budget by \$19,056. Total salaries, benefits, & payroll expenses were under budget by \$53,386 due largely to open positions resulting in lower than budgeted salaries, health insurance, and FICA expenses. Pharmaceuticals—340B program RVH&DC Pharmacy were over budget by \$10,872 due to increased revenues. Minor equipment was under budget by \$5,740. Recruitment/retention costs were under budget by \$6,139 due to timing of costs. Telehealth services were over budget by \$18,637 due to an under accrual of costs from the prior month. Interest was under budget by \$7,958 due to an overbudget.

Max reported the Balance Sheet Highlights as follows: Accounts Payable was at \$164,521, a decrease over the prior month of \$134,280. There were no transfers from the Super Money Market Fund. Total cash in the operating accounts at month-end was \$1,185,281.

- **Financial Summary Report:** Max reviewed the Summary Report which will be presented to the Full Board as follows: Net Days in A/R was 25. Days in A/P was 32.6. Days Cash on Hand was 36.85 and Current Ratio stayed the same at 1.75.

The committee had no objections with the report being sent to the Full Board for approval.

SUSQUEHANNA COMMUNITY HEALTH AND DENTAL CLINIC, INC.
Executive/Finance Committee Meeting Minutes
May 10, 2022 12:00 PM

II NOA

- **COVID (C8E) Floorplan Condition Removal**
- **COVID (C8E) Schematics, National Historic Preservation Act, And Property Documentation Condition Removal**

Max reported that the Center received two NOA's for the month of April. Neither of the NOA's had monetary funding attached to them. They both were to remove conditions from the Clinton County project associated with the C8E grant.

III FY23 Operational Draft Budget

Max reviewed the FY23 Draft Budget which, if the committee approves, will be presented to the full board for approval this month. The summary is as follows:

- **General Allocations:** Max reported the allocations were developed using four different methodologies which were the same methodologies used last year.
- **Revenues:** Patient mix was determined by using the 9-month actuals from FY22 for each individual service line. Explicit price concessions were calculated as follows:
 - Medicare, Medicaid, and Managed Care
 - PPS rate—Gross charges per visit
 - Commercial & Self Pay
 - July – March actual collections pulled from eCW
 - Pharmacy revenue was calculated by taking average revenues from January – March 2022 due to significantly increased volumes as well as factoring an increase in hours beginning July 1st. In total, pharmacy revenues were increased by 62% over FY22 actuals.
 - Incentive revenues were calculated conservatively by utilizing a direct look at FY22 YTD revenue as well as taking a percentage of additional available incentive dollars available based on the review of the Chief Quality Officer.
 - Federal Grant revenues have been added in for all known expenses. State—COVID-19 testing funding was only budgeted through August 22 as the grant cycle is scheduled to end August 31st and no extension has been granted at this point.
- **Productivity:** Each area's productivity metrics were calculated by the department manager for that area in coordination with the finance team and COO. Calculations included a review of FY22 actual averages as well as taking into further account estimated time-off based on historical actuals, clinical hours worked throughout the month, and optimization of schedule templates to support access to care.
- **Staffing:**
 - Rolls in a 3% annual increase for all staff effective July 1st.
 - Estimated increase in health insurance costs due to January 1st renewal as well as increased costs associated with funding the HRA.
 - Elimination of the following currently vacant positions for FY23:
 - Director of Dental Operations
 - Nurse (LPN)
 - 2 Office Assistant positions

SUSQUEHANNA COMMUNITY HEALTH AND DENTAL CLINIC, INC.
Executive/Finance Committee Meeting Minutes
May 10, 2022 12:00 PM

- Staff Development Coordinator
- Neighborhood Care Support Staff (due to mobile unit not being delivered until end of FY23 or beginning of FY24)
- Other Expenses: Clinical supplies were factored utilizing FY22 YTD actuals, less increases in COVID supplies, averaged to a per visit cost and then applied over FY23 budgeted visits. Recruitment/retention costs were budgeted at 19% over FY22 due to estimated increased costs associated with recruiting providers. Temporary staffing fees were reduced due to anticipated decreases in utilization of contracted nursing agency. Significant increases were budgeted in advertising expenses to allow for an enhanced marketing plan to assist in patient revenue. The remaining expense line items were factored using a 3-year historical average plus 5% increase for inflation on average.

Max reported that with this budget the FY23 Operational Budget would cash flow with 29.47 days cash on hand at the end of the fiscal year and an excess of revenues over expenses of \$297,376.

Before discussion and motion, Max reviewed the H8F Grant Funds Year 2 Reallocation as below.

Motion #1 Kim Wetherhold made the motion to recommend approval of the FY23 Operational Budget by Full Board with the recommended reallocation of the H8F Grant Funds as noted below. Chris Ebner seconded the motion. The motion passed unanimously.

IV H8F Grant Funds Year 2 Reallocations

Max reminded the committee that the organization was awarded \$2,979,875 for a 2-year project period that runs from 4/1/21 – 3/31/23. At the end of the first year of the project period, the organization had a significant amount of dollars that remained unspent due to extenuating circumstances surrounding the continued impacts of the COVID-19 pandemic. As such, leadership has looked at the grant documents as well as held discussions with other FQHC's across the Commonwealth regarding these grant funds and are proposing to reallocate the budgeted grant dollars. The proposed changes fall under the guidelines within HRSA that allow the organization to reallocate funds across the Object Class Categories without prior approval from HRSA, so long as the total of the change is less than 25% of the total award amount. In addition, the changes must be made to a category that already had budgeted line items. For this grant we can re-allocate \$744,969 without needing a prior approval. This proposal suggests a reallocation of 14.67% of the awarded funds or \$437,209.73.

In the reallocation, the leadership team is proposing the following changes under the category of the grant labeled "Maintaining and Increasing Capacity":

- Medical/administrative laptop refresh (due by August 2022)
- Support staff, Patient Financial Services, and IT system refresh (due by December 2022)
- Phone system upgrade to enhance patient experience and support continued expansion
- Network infrastructure equipment for Clinton County
- Payroll costs to support existing positions to ensure continued availability of comprehensive medical and dental services

SUSQUEHANNA COMMUNITY HEALTH AND DENTAL CLINIC, INC.
Executive/Finance Committee Meeting Minutes
May 10, 2022 12:00 PM

It is estimated that the reallocation of the H8F grant funds will allow cash flow at the end of FY23 to be 43.23 days as opposed to the 29.47 above.

Motion #2 Kim Wetherhold made the motion to recommend approval of the H8F Grant Funds Year 2 Reallocation by Full Board. Chris Ebner seconded the motion. The motion passed unanimously.

V Management Update Current Operations

- **April Balanced Score Card:** Matt reviewed the April Balanced Score Card indicating improvement in Patient Experience in all areas. Medical and Dental moved into the green in Quality. Visit volumes have increased in Behavioral Health, Reproductive Health, and Express Care.
- **Dental Leadership Change:** Jim informed the committee that the Director of Dental Operations will be leaving in June. Her duties are being reassigned to other staff members. The Dental Director position, which has been vacant, has been offered to Dr. Dan Bozza and he has accepted with no reduction in his clinical hours.
- **Operational Site Visit (OSV) Update:** Jim reported that the Center has not received a date for the next OSV. A prep meeting has been scheduled for later in the week. It is felt that everyone will be ready upon notification from HRSA.

VI Facilities Planning

- **Clinton County Site Update:** Jim reported that there was a “Coming Soon” sign placed at the site. Nothing more to report.
- **431 Hepburn Street Construction Update:** Construction continues to be ahead of schedule. Still looking for a June/July opening barring any major unforeseen issues.

VII Credentialing/Recredentialing

Jim reported that credentialing/recredentialing is normally something that is managed by the Quality Assurance/Quality Improvement Committee. However, due to the timing of their previous appointment which expires prior to the May 2022 Board meeting it was necessary to bring to this committee. Management is asking the committee to exercise their right to approve the five providers prior to the board meeting. At that time, the action will be ratified by the board.

Matt indicated that all are in good standing and their credentialing and privileging rights have been reviewed by the Chief Medical Officer and an electronic meeting was held by the QA/QI Committee which recommended approval of the appointment/privileging of those providers. The providers in need of recredentialing/reprivileging are as follows:

- Steven Leung, M.D.
- William Piotrowski, D.C.
- Laura Farr, PHDHP

SUSQUEHANNA COMMUNITY HEALTH AND DENTAL CLINIC, INC.
Executive/Finance Committee Meeting Minutes
May 10, 2022 12:00 PM

- Susan King, LCSW
- Leonard Weber, PA-C

Motion #3 Kim Wetherhold made the motion to approve the recredentialing/reprivileging and appointment to the staff of River Valley Health and Dental Center for Steven Leung, M.D., William Piotrowski, D.C., Laura Farr, PHDHP, Susan King, LCSW, and Leonard Weber, PA-C. Jean Myers seconded the motion. The motion passed unanimously.

VIII Governance Policies for Review

Jim reviewed the two governance policies which were in need of approval. No changes were recommended to the policies other than title changes in staff positions as well as change of committee name from Executive Committee to Executive/Finance Committee throughout.

The committee has approved the changes and will recommend changes be approved by board at the upcoming May 2022 meeting.

IX Full Board Agenda, May 24, 2022 @ 5:30 PM

Jim has recommended to the committee that the Board forego a mini-educational session for the month of May due to the length of time needed to discuss the FY23 Operational Budget. The committee agreed.

- **Board Annual Work Plan:** After review, it was decided the Annual Work Plan appeared up to date.
- **Board Membership:** Jim informed the committee that the Personnel & Nominating Committee will be meeting on June 7. He will need a slate of officers to present to the committee for nomination. One board member exists who is not eligible for reappointment as both of his terms have expired. Several members exist whose first term has expired and thus they are up for renewal. Jim will be reaching out to those members to be sure they are willing to serve for another 3-year term.

Jim informed the committee that, as requested in last month's meeting, he did reach out to the lawyer regarding the lost 340B revenues. Legal counsel advised the Center that unless a circumstance or fact that exists which he was not aware of, no chance remains to recuperate the lost revenues. We have this email for back up, as requested.

X Supporting Documents

- **Federal 330 Grant Funds**
- **COVID-19 Grant Funds**

Next Meeting: June 14, 2022 @ 12:00 PM Community Room, 431 Hepburn Street