

Susquehanna Community Health and Dental Clinic, Inc.
Finance and Audit Committee Meeting Minutes
March 13, 2017

ATTENDEES: Dorothy Hilliard, Treasurer; Barbara Barbus, Board Member; Jim Yoxtheimer (ex-officio), President & CEO; Max Houseknecht, Jr., CFO

Financial Review – January and February, 2017

Max Houseknecht prefaced his financial review with the explanation that he would be reviewing the highlights of January and February. The goal of catching up the cycle of reporting financials on a one month lag cycle should allow for adjustments to be made more quickly to support management's decisions in support of operations. He first reviewed the highlights of the January Financials as set forth on the summary provided to the committee. He reported that the actual monthly excess of revenues over expenses was approximately \$144,500 due in large part to the 330 Grant drawdown. The Revenue analysis showed that Dental visits were under budget by 335, primarily due to lower provider hours resulting from continuing education and paid time off in the month, Medical visits were over budget by 84 and reproductive health visits were over by 56. However, Gross Patient Revenue was under budget by approximately \$30,000 Gross Medical Revenue under budget by \$386 and Gross Dental Revenue under budget about \$55,000. Max explained that the RHS revenue is budgeted as Net v. Gross but was over budget to minimize the gap. Expenses for January were over budget by approximately \$58,000 as detailed in the summary provided. Max spoke on the issues relative to the retirement expenses being front loaded at the beginning of the year, the increased audit fees and the impact of required depreciations adjustments as well as those changes required by the FY 2016 audit. Max then reviewed the highlight of the February Financials as set forth on the summary provided to the committee. He reported that the actual monthly excess of revenues over expenses was \$87,592, again due to the drawdown of 330 Grant funding. Visits were above budget for the month even though Dental visits remained 48 visits under budget for the month with Medical and RHS visits over budget 85 and 33, respectively. Revenue per visit continued to decline and further investigation into what is causing that impact is planned. It is believed that it is in the mix of what the providers are seeing and the coding of patient visits. Discussion of the way this rate is established and its relation to the PPS rate paid to the Center via the Medicare/Medicaid reimbursement was had. The impact is felt more on the commercial payer accounts but the need to ensure the appropriate coding and billing of all visits is an important to ensure. Max also reviewed the expense analysis for February, much of which held true from January's analysis except that expenses were much lower in February.

MOTION #1 to recommend approval of the January and February Financials was made by Dorothy Hilliard and seconded by Barb Barbus. Motion passed unanimously.

Max also provided to the Committee a handout that explained and showed the 330 Grant and other grant funding for the grant cycle 6/1/2016 – 5/31/2017. He detailed the awards and drawdowns for each of the grants and the balance of funds remaining so that the committee

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gained an understanding of the cash flow and usage of funds that will see the Center through the end of this cycle.

Audit Update: Max provided an update of the status of the Audit advising that the recommendation on the going concern analysis was being sent to their National office for final review with the expectation of approval in 2 -3 days. The final Audit is expected for approval by the Board this month. No word has been received on the Cost Report but word is anticipated in the next 1 – 2 weeks.

Sliding Fee Scale – Max presented materials on the Sliding Fee Scale the improved policy and materials for the Sliding Fee Program that should streamline the process for patients and staff. He explained that the patients that are approved for the sliding fee will receive a card, much like an insurance card, that will include information as to their qualification (which fee scale), copay and expiration date. He also mentioned that patients will soon be able to pay their bills online and make application for the sliding fee online.

Insurance Benefit Proposal – Max outlined the proposal that had been put together by our Insurance broker, who had researched potential improvement of employee benefits with some cost savings for the provision of life insurance, long term disability, vision and dental coverage. The proposal means a change in carriers for these coverages, but reducing the administration by decreasing the variety, with a net annual savings of over \$2,000. It would add a vision plan at no cost to the employee and improvements to the Long-Term Disability coverage that may give the Center some recruitment benefit as well as and increased benefit to the employees.

MOTION #2 to recommend approval of the change/improvements in the Insurance Benefits as proposed was made by Barb Barbus and seconded by Dorothy Hilliard. Motion passed unanimously.

Other – The committee discussed the increased costs submitted by BKD for the FY16 Audit and the recommendation to pursue a reduction in the bill to include review of the detail to support the increased amount billed.

The next Finance Committee meeting is scheduled for Monday, April 10, 2017 at 5 p.m. in the Center Conference Room.