

**SUSQUEHANNA COMMUNITY HEALTH AND DENTAL CLINIC, INC.**

**Finance and Audit Committee Meeting Minutes**

**March 11, 2019 5:30 PM**

**PRESENT:** Dorothy Hilliard, Board Treasurer; Barbara Barbus, Board Secretary; Max Houseknecht, Jr., CFO; Phil Allen, Senior Accountant; and Jim Yoxtheimer, President & CEO

**I February 2019 Financial Report**

Max reviewed the highlights of the Financial Report for February 2019 as were set forth on the summary provided to the committee, which is hereby incorporated for all purposes herein. He reported for the month of February there was an excess of revenue over expenses of \$231,756 due to the Cost Report Settlement (see below). This takes the YTD deficiency of revenue over expenses to \$310,472. Medical visits were down 49. Dental visits were down 236, due to a dental provider coming back from medical leave not at full duty. Chiropractic visits were down 60 as it was budgeted for two part time physicians which has not happened yet. Reproductive Health visits were down 136 visits. Pediatric Dental was down 60 visits. Gross patient revenue was under budget by \$76,203 due to gross medical revenue being under budget by \$8,284, dental revenue being under budget by \$37,117, and gross reproductive health revenue being under budget by \$30,802. 349b drug program income was under budget by \$150,000 due to the delay in the opening of the Pharmacy. Federal grant income was over budget by \$21,968 due to the spending of FY17 AIMS funding that was approved in the carryover prior approval request, drawdowns associated with the FY18 SUD-MH Funding, and drawdowns associated with the FY18 QA/QI Funds. For details on the drawdowns please reference the February 2019 Grant Usage Spreadsheet. State grant income was under budget by \$15,338 due to the transition of the ELECT/EFI program to BLAST IU17.

Max then reviewed the expense analysis which showed the expenses were under budget by \$49,499 due to the following. Total salaries, benefits, and payroll expenses were over budget by \$4,075 due largely to a budgeted retirement that did not occur. Internal 340b program was under budget by \$34,500 due to the delay in the opening of the pharmacy. Minor equipment was over budget by \$8,294 due largely to costs associated with the new administration space that did not meet the fixed asset capitalization threshold. Recruitment expenses were over budget by \$4,578 due to costs associated with the SUD-MH grant. RHS contracted services were under budget by \$5,518 due largely to reduced visits associated with the HW/WW program. Pharmacist contract services were under budget by \$20,000 due to the delay in opening of the pharmacy. Audit fees were over budget by \$5,340 due to costs associated with an outside chart audit review for the organization (Healthicity). Legal fees were over budget by \$5,815 due largely to costs associated with the Greenway Health contract. CaptureRx 340b administrative fees were over budget by \$13,357 due to additional costs associated the Wegmans 340b contract. RVH&DC 340b administrative fees were under budget by \$15,000 due to the delay in opening the pharmacy. Interest expense was under budget by \$2,142 due to costs associated with the 431 Hepburn Street leased which was budgeted as a capital lease but does not currently meet the requirements for capital leases. In addition, costs for the 431 Hepburn Street lease will not be recognized until the commencement date of 03/01/19.

Balance sheet highlights for the month show accounts payable was at \$275,865 which is an increase over last month of \$96,656 due largely to pharmacy and new administration space costs coming in at the end of February. All bills are being paid on time with nothing overdue. Medicaid settlement payable decreased by an additional \$34,976.52 leaving a remaining balance

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due of \$89,252.48. It is anticipated with is will be paid in full by May of this year. Super money market fund balance is \$754,330.23 with \$60,000 in transfers occurring for the month of February. Operating account unrestricted balance at February 28 was \$116,475.52.

**Motion #1 Dorothy Hilliard made the motion to recommend approval of the February 2019 Financial Report to the Full Board. Barbara Barbus seconded the motion. The motion passed unanimously.**

- **Financial Dashboard:** Max reviewed the Financial Dashboard with the Committee as follows: Net days in A/R is down to 21.53 and continues to look good. Days in A/P is up to 40.43 due to bills coming in at the end of the month. Days cash on hand is down to 21.46. Current ratio is 1.41. Visits are down 12% from last year, however still showing growth with a 5% increase over last year.
- **FY18 Cost Report Interim PPS Rate:** Max reported to the Committee on the interim rate estimated Cost Report for visits 10/16/16-2/28/19. The Cost Report was initiated due to the addition of reproductive health services. Once the audit is finalized it is estimated they will need to review approximately 78,000 encounters to process for repayment. Medical/BH/Chiropractic/Reproductive Health visits are now being paid at \$191.16 per visit. Dental and Pediatric Dental visits are now being paid at \$110.61 per visit. After settlement the net effect is estimated to be \$354,179.61 due to RVH&DC. The Center is subject to PPS rate changes over the next few years due to the addition of chiropractic care and pediatric dental.

**II Federal 330 Grant Remaining Funds**

Max reviewed the remaining funds from the Federal 330 Grant indicating funds were used this month from the AIMS funding for the LCSW salary. Also, QA funds were spent for equipment in dental hygiene. Funds from the SUD grant was used for recruitment.

**III 2018 PA Unclaimed Property Report**

Phil reported to the Committee information on the 2018 Unclaimed Property Report. Any checks that have been sent to vendors/patients and have not been cashed in 3 years are subject to be reported to the State. A check will need to be sent to the State for the amount of uncashed checks after a certified written notice has been sent to the vendor/patient along with a report. This report needs to be submitted by April 15. We had one check which qualified. The patient has been notified via certified first-class mail and a report will be sent to the State.

**IV EHR Software Change**

Max brought up for discussion the fact that the Center has been having difficulty with Greenway for quite some time, as reported in the QA/QI Committee meeting minutes. Management has sent a Notice of Breach letter with a right to cure to Greenway. About two weeks ago Greenway announced that SuccessEHS will be sunsetting and they will no longer offer the product after September 30, 2020. Management has been looking at other software and are now focusing on a software program called E-Clinicalworks. There are no upfront costs. After factoring fees, the cost is roughly what we pay now however it seems that they offer a lot more than Greenway. Hidden costs would be taking a hit on productivity when it is first launched. Another potential

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option would be Epic. Epic is owned by UPMC. They use Epic in physician offices, but not in dental. North Penn is in the implementation stages now with Epic and we are keeping any eye on their progress.

Max indicated this process will more than likely move rather quickly.

**V Clinton County Budget**

The Clinton County budget was discussed in the Executive Committee meeting. Please see minutes from Executive Committee meeting dated March 11, 2019 for details.

**VI Open Discussion**

The Committee asked for a monthly budget for repayment into the Super Money Market funds that have had to be drawn when presenting the FY20 Budget.

**Next Meeting: April 8, 2019 @ 5 pm Administrative Conference Room, 431 Hepburn St.**