

SUSQUEHANNA COMMUNITY HEALTH AND DENTAL CLINIC, INC.

Finance and Audit Committee Meeting Minutes

February 11, 2019 @ 5 PM

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

I January 2019 Financials

Max reviewed the highlights of the Financial Report for January 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 January there was a \$182,461 deficit which takes the YTD deficiency of revenue over expenses to \$126,304. Medical visits were down 313 visits largely due to provider vacancy. Dental visits were down 29. Reproductive Health visits were down 48. Chiropractic visits were down 71 which is not due to productivity. However, the Center had budgeted to have another part time chiropractor for the month of January which did not happen. Pediatric Dental visits were down 257, due to provider vacation that was not anticipated. Gross patient revenue was under budget by \$95,950 due to gross medical revenue being under budget by \$59,801, gross dental revenue being under budget by \$34,734, and reproductive health revenue being under budget by \$1,408. Contractual allowances were over budget by \$24,996. 340b drug program income was over budget by \$13,367 due to the Wegmans 340b contract. 340b income from the RVH&DC Pharmacy was under budget by \$100,000 due to the delay in the opening of the pharmacy. Federal grant income was over budget by \$15,341 due to the spending of FY17 AIMS Funding that was approved in the carryover prior approval request and drawdowns associated with the FY18 SUD-MH Funding. State grant income was under budget by \$15,382 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 \$15,960 due to the following. Total salaries, benefits, and payroll expenses were over budget by \$8,527 due largely to a budgeted retirement that did not occur. Pharmaceuticals 340b program (internal) were under budget by \$23,000 due to the delay in the opening of the pharmacy. Minor equipment was over budget by \$5,997 due to costs associated with pharmacy equipment that did not meet the fixed asset capitalization threshold. Recruitment expenses were over budget by \$4,557 due to costs associated with the SUD-MH grant. 340b administrative fees for RVH&DC pharmacy were under budget by \$15,000 due to the delay in opening of the pharmacy. Depreciation was under budget by \$6,393 due to the delay in opening of the pharmacy.

Max informed the committee that a new account #9125 was added as "Temporarily Restricted Grant for Acquisition of PP&E". In January, a total of \$400,000 was recorded as temporarily restricted revenue due to the First Community Foundation Partnership grant for the mobile care unit. This is a "below the line" revenue and as these funds are spent will be released from temporarily restricted to unrestricted.

At month end the accounts payable was at \$179,209 a decreased over the prior month of \$311. Medicaid settlement payable decreased by \$32,788.84 leaving a remaining balance of \$124,229.29. There were no transfers of monies from the super money market for the month of January. Operating account unrestricted balance as of January 31 was \$147,653.20

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Motion #1 Barbara Barbus Made the motion to recommend approval of the January 2019 Financial Report to the Full Board. Dewy Hilliard seconded the motion. The motion passed unanimously.

- **Financial Dashboard:** Max reviewed the Financial Dashboard with the Committee as follows: Net Days in A/R has decreased to 22.63 due to the hard work the billing team has been doing on the Geisinger issues which occurred last year. Days in A/P are 26.47. Days cash on hand is 33.19. Current ratio is 1.54. YTD visit comparison is still 4% over last year.

II Federal 330 Grant Remaining Funds

Max reviewed the remaining funds from the Federal 330 Grant indicating the 330 Base Grant is monitored every two weeks while doing payroll.

III 2019 Sliding Fee Scale (SFS) Review

Max indicated it is a requirement to have the Sliding Fee Scale reviewed annually to make sure our scale is up to date with the federal poverty guidelines. There were no changes in the categories listed. At this point the only thing management is proposing is for the committee to recommend approval to the full board. Also, there will be an additional SFS for Pharmacy presented at next month's meeting.

Motion #2 Dorothy Hilliard made the motion to recommend Full Board approval of the Sliding Fee Scale. Barbara Barbus seconded the motion. The motion passed unanimously.

IV FY18 990-T Submission

The IRS recently released Notice 2018-99, which provides guidance on non-deductible transportation benefits. For most organizations, that means parking. Any organization which provides parking to its employees, whether by paying a third party on its behalf or by providing employees with parking on its own, may be impacted by this new rule. Since RVH&DC pays for employee parking the Center will need to claim and estimated \$20,000 as unrelated business income by filing a 990-T form.

V Corrected W-2's

Max made the committee aware that new W-2's had to be sent out for approximately 40 employees due to an issue management was unaware of. The Center just recently was made aware that when the company purchases group term life insurance for the employees greater than \$50,000 it is taxable at a rate based on age. This has also affected employees in 2017 and 2016, corrected W-2's will need to be issued before the end of February. They are being worked on and will be mailed appropriately.

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VI Pharmacy Bank Account

Max has proposed to the Committee to open a separate bank account for pharmacy related revenue. If needed, money can be transferred for operations. If approved by the Committee, there will be a resolution added to the Full Board Agenda for February.

Motion #3 Dorothy Hilliard made the motion to recommend separate banking accounts for Pharmacy Revenue deposits. Barbara Barbus seconded the motion. The motion passed unanimously.

Next Meeting: March 11, 2019 @ 5:30 PM. Place to be determined/announced.