

## Minutes

**Valleywise Community Health Centers Governing Council Meeting  
Virginia G. Piper Charitable Trust Pavilion  
2609 East Roosevelt Street, Phoenix, AZ 85008  
2<sup>nd</sup> Floor, Auditorium 1  
June 18, 2025, 5:30 p.m.**

**Members Present:**

Scott Jacobson, Chairman – *participated remotely*  
Eileen Sullivan, Vice Chairman – *participated remotely*  
Earl Arbuckle, Member  
Piedad Blake, Member – *participated remotely*  
Nelly Clotter-Woods, Member – *participated remotely*  
Chris Hooper, Member – *participated remotely*  
Salina Imam, Member – *participated remotely*  
Aime Ishimwe, Member – *participated remotely*  
Eric Manoa, Member – *participated remotely*  
Norma Muñoz, Member  
William O'Neill, Member – *participated remotely*  
Essen Otu, Member – *participated remotely*

**Members Absent:**

Wayne Tormala, Member  
Jane Wilson, Member

**Others/Guest Presenters:**

Michelle Barker, DHSc, Chief Executive Officer of the Federally Qualified Health Centers  
Claire Agnew, CPA, MBA, Executive Vice President, Chief Financial Officer  
Ijana Harris, JD, General Counsel  
Melanie Talbot, Chief Governance Officer and Clerk of the Board – *participated remotely*  
Matthew Meier, MBA, Vice President, Financial Services

**Recorded by:**

Denise Tapia, Deputy Clerk of the Board

**Call to Order:**

Chairman Jacobson called the meeting to order at 5:30 p.m.

**Roll Call**

Ms. Tapia called roll. Following roll call, she noted nine of the fourteen voting members of the Valleywise Community Health Centers Governing Council were present, which represented a quorum. Ms. Imam, Mr. Ishimwe, and Mr. Otu joined after roll call.

For the benefit of all participants, Ms. Tapia announced the Governing Council members participating remotely.

**Call to the Public**

Chairman Jacobson called for public comment. There were no comments.

**NOTE:** Mr. Ishimwe joined at 5:33 p.m.

**Valleywise Community Health Centers Governing Council  
Meeting Minutes – General Session – June 18, 2025**

**General Session, Presentation, Discussion and Action:**

1. Discuss, Review, and Approve the Fiscal Year 2026 Operating and Capital Budget for Valleywise Health's Federally Qualified Health Centers; Including the Valleywise Community Health Centers Governing Council Department Budget

Ms. Agnew addressed the financial challenges facing Valleywise Health, which were largely driven by proposed federal Medicaid cuts. Medicaid accounted for approximately half of the organization's operating revenue and was especially critical for the Federally Qualified Health Centers (FQHCs).

The budget was developed assuming Medicaid funding would remain stable despite rising costs from wages, inflation, and tariffs. However, with federal legislation still evolving, further changes were possible. For fiscal year (FY) 2025, the FQHCs were projected to have \$20 million deficit before overhead, which Valleywise Health would have to absorb.

Ms. Agnew noted staff were implementing operational strategies to reduce losses while maintaining patient care and financial stability. She mentioned the need for flexibility, as the budget may require adjustments throughout the year. While the budget was strong, it carried risks due to the ongoing uncertainty. Valleywise Health remained committed to its mission to provide exceptional care, without exception, to every patient, every time.

Mr. Arbuckle asked if the budget was ever revised once it was finalized and approved.

Ms. Agnew stated Valleywise Health did not revise its official budget once it was approved. Instead, the operating projections were updated throughout the year. While the budget included anticipated major impacts, unforeseen developments may still require minor or even significant operational adjustments.

**NOTE:** Ms. Imam joined at 5:40 p.m.

Mr. Meier provided an overview of the Governing Council's department budget for FY 2026, noting that labor expenses were projected to increase by three percent compared to current-year projections. The overall budget for the Governing Council was projected to increase, with a significant portion of the rise attributed to membership fees for the National Association of Community Health Centers (NACHC) and the Arizona Alliance for Community Health Centers (AACHC).

He mentioned the new services that would be offered in the FQHCs in the upcoming year, including the continued expansion of outpatient behavioral health and the dental residency program.

**NOTE:** Mr. Otu joined at 5:44 p.m.

Mr. Meier reviewed the number of medical providers for the FQHCs, which were expected to increase by 7.91 full-time equivalents (FTEs).

The dental staff was budgeted to increase by 4.3 FTEs as part of the dental residency program.

Behavioral health providers were budgeted to increase by 9.1 FTEs, noting the increase in outpatient behavioral health volume.

Mr. Meier reviewed the budgeted visits for the Valleywise Community Health Centers, noting a budgeted increase of 12.4% from current-year projections.

Outpatient behavioral health visits were budgeted to increase by 10.7% from current-year projections.

Visits at Valleywise Comprehensive Health Center-Peoria were budgeted to increase by 34.3% from current-year projections.

**Valleywise Community Health Centers Governing Council  
Meeting Minutes – General Session – June 18, 2025**

**General Session, Presentation, Discussion and Action Cont.:**

1. Discuss, Review, and Approve the Fiscal Year 2026 Operating and Capital Budget for Valleywise Health's Federally Qualified Health Centers; Including the Valleywise Community Health Centers Governing Council Department Budget, cont.

Visits at Valleywise Comprehensive Health Center-Phoenix were budgeted to increase by 10.5% from current-year projections.

Dental visits were budgeted to remain consistent with FY 2025.

Mr. Meier reviewed the revenue reimbursements, which were budgeted conservatively. Staff anticipated a 1.5% increase in reimbursement rates for the Arizona Health Care Cost Containment System (AHCCCS).

Mr. Meier noted that AHCCCS/Medicaid revenue showed a 2% increase with changes to dental services, which included treating more dental AHCCCS patients.

Ms. Agnew mentioned the goal for the payor mix was to increase the number of AHCCCS patients while continuing to serve the uninsured.

Mr. Otu asked if the 2% increase with the payor mix growth for AHCCCS patients was attributed to new AHCCCS patients overall, or more dental appointments specifically for AHCCCS patients.

Ms. Agnew stated an increase in AHCCCS dental patients.

Mr. Meier stated other areas of revenue were based on grant programs, such as the Service Area Competition (SAC) grant, Substance Abuse and Mental Health Services Administration (SAMHSA), and Ryan White.

He reviewed the FY 2026 income statements, noting the Valleywise Community Health Centers volumes were budgeted to increase by 13% from current-year projections. Net patient service revenue was budgeted to increase by 15%, and expenses to increase by 10% resulting in a negative \$10.5 million margin.

Outpatient behavioral health was expected to see an 11% increase in volume, due to additional providers. Operating revenues were expected to increase by 19%, and expenses by 16 percent. The overall margin was expected to be positive \$1.8 million.

Valleywise Comprehensive Health Center-Phoenix was expected to see an 11% increase in volume, and a 14% increase in operating revenue. Expenses were projected to rise by 11%, resulting in an overall margin loss of \$4.7 million.

Valleywise Comprehensive Health Center-Peoria projected a 34% volume increase, largely due to provider availability and increased visits per session. Operating revenue was projected to increase by 37%, with expenses increasing by percent. Despite the growth, there was a negative margin of \$1.7 million.

Dental volumes were budgeted to remain flat. Operating revenues were projected to increase by 54%, largely due to a focus on serving more AHCCCS pediatric patients. Operating expenses were expected to increase by eight percent, resulting in an overall projected loss of \$2.5 million.

Mr. Meier stated that the Valleywise Health Mobile Health Clinic (MHC) was pausing services in August 2025, therefore only budgeted 92 visits for the entire fiscal year.

**Valleywise Community Health Centers Governing Council  
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**General Session, Presentation, Discussion and Action Cont.:**

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Dr. Barker shared that pausing the MHC was a difficult decision but was intended to be temporary while staff pursued grant funding and other resources to cover its operating costs. The decision did not reflect a change in the commitment to serving vulnerable communities; it was purely due to the MHC current financial unsustainability.

The MHC staff had been reassigned to other positions within the Valleywise Health system. While MHC were challenging to sustain financially, and profit was not the Valleywise Health mission, continuing at a loss would be detrimental to the rest of the services.

Ms. Imam inquired about the operating costs of the MHC.

Ms. Agnew stated the operating costs for the MHC were approximately \$1 million per year.

Mr. Meier stated the FQHCs combined volumes were expected to increase by 13%, with revenue rising by 17%, which was in line with that growth. Total operating expenses were projected to increase by 12%, which was notably lower than the revenue growth, indicating improved operational efficiency. The overall margin was expected to be a negative \$17.8 million, representing an eight percent improvement compared to the current year's projected loss of \$20 million. While this was still a significant loss, it did reflect progress.

Mr. O'Neill stated that the number of uninsured patients were high and wondered if there was a way to help them become insured.

Ms. Agnew explained that when patients call the patient assistance center (PAC) to schedule an appointment and did not have insurance, the PAC team immediately initiated a conversation to explore coverage options. The first step was to assess eligibility for AHCCCS. If the patient did not qualify, they were then evaluated for Medicare based on age. If neither of those options were available, the team discussed marketplace insurance plans. And if all else failed, the patient was offered support through the organization's sliding fee scale.

Ms. Blake asked how the access to coverage would impact the pediatric population, specifically whether there would be any cuts, or if the changes would only apply to adults.

Ms. Agnew responded that the pediatric population, more than any other group, generally had strong access to coverage. She noted that while they were still awaiting guidance at the federal level and subsequently from the state, she anticipated that any changes would primarily affect adults rather than children.

Mr. Hooper asked what key strategies would have the greatest impact on shifting the payer mix to better align with organizational goals.

Dr. Barker stated that, specifically in dental services, the focus was to increase the number of AHCCCS patients. To achieve this, the staff implemented priority appointments for AHCCCS patients to ensure timely access to care. By prioritizing these patients, especially for children, the dental clinics could better serve the community while also helping to balance the payer mix.

There were targeted marketing efforts being implemented within the community aimed at AHCCCS patients. As new residents move into neighborhoods near the FQHCs, there was a plan to focus on outreach to encourage the new residents to seek services at Valleywise Health clinics.

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**General Session, Presentation, Discussion and Action Cont.:**

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**MOTION:** Mr. Arbuckle moved to approve the fiscal year 2026 Operating and Capital Budget for Valleywise Health's Federally Qualified Health Centers; including the Valleywise Community Health Centers Governing Council department budget. Ms. Muñoz seconded.

**VOTE:** 11 Ayes: Chairman Jacobson, Mr. Arbuckle, Ms. Blake, Dr. Clotter-Woods, Mr. Hooper, Ms. Imam, Mr. Ishimwe, Mr. Manoa, Ms. Muñoz, Mr. O'Neill, Mr. Otu  
0 Nays  
3 Absent: Vice Chairman Sullivan\*, Mr. Tormala, Ms. Wilson  
**Motion passed.**

\*Ms. Sullivan was unable to cast her vote remotely due to technical difficulties.

**Adjourn**

**MOTION:** Ms. Muñoz moved to adjourn the June 18, 2025, Valleywise Community Health Centers Governing Council Meeting. Ms. Imam seconded.

**VOTE:** 11 Ayes: Chairman Jacobson, Mr. Arbuckle, Ms. Blake, Dr. Clotter-Woods, Mr. Hooper, Ms. Imam, Mr. Ishimwe, Mr. Manoa, Ms. Muñoz, Mr. O'Neill, Mr. Otu  
0 Nays  
3 Absent: Vice Chairman Sullivan\*, Mr. Tormala, Ms. Wilson  
**Motion passed.**

\*Ms. Sullivan was unable to cast her vote remotely due to technical difficulties.

Meeting adjourned at 6:26 p.m.

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Denise Tapia  
Deputy Clerk of the Board