

Minutes

**Valleywise Community Health Centers Governing Council
Finance Committee
Valleywise Health Medical Center
March 2, 2022
4:30 p.m.**

Voting Members Present: Nelly Clotter-Woods, Ph.D., Committee Chair – *participated remotely*
Daniel Messick, Committee Vice Chair – *participated remotely*
Salina Imam, Member – *participated remotely*
Ryan Winkle, Member – *participated remotely*

Non-Voting Members Present: Barbara Harding, Chief Executive Officer, Federally Qualified Health Center Clinics – *participated remotely*
Matthew Meier, Vice President, Financial Services – *participated remotely*
Christie Markos, Director, Financial Planning and Decision Support – *participated remotely*

Non-Voting Members Absent: Claire Agnew, Chief Financial Officer

Others/Guest Presenters: Nancy Kaminski, Senior Vice President, Revenue Cycle – *participated remotely*
Melanie Talbot, Chief Governance Officer – *participated remotely*

Recorded by: Cassandra Santos, Assistant Clerk – *participated remotely*

Call to Order

Chairman Clotter-Woods called the meeting to order at 4:30 p.m.

Roll Call

Ms. Talbot called roll. Following roll call, it was noted that three of the four voting members of the Valleywise Community Health Centers Governing Council's Finance Committee were present, which represented a quorum. Ms. Imam joined the meeting shortly after roll call.

For the benefit of all participants, Ms. Talbot announced the committee members participating remotely.

Call to the Public

Chairman Clotter-Woods called for public comment.

There were no comments.

NOTE: Ms. Imam joined the meeting at 4:33 p.m.

**Valleywise Community Health Centers Governing Council – Finance Committee
Meeting Minutes – General Session – March 2, 2022**

General Session, Presentation, Discussion and Action:

1. Approval of Consent Agenda:

a. Minutes:

i. Approve Finance Committee Meeting Minutes Dated February 2, 2022

MOTION: Chairman Clotter-Woods moved to approve the consent agenda. Vice Chairman Messick seconded.

VOTE: 4 Ayes: Chairman Clotter-Woods, Vice Chairman Messick, Ms. Imam, Mr. Winkle
0 Nays
Motion passed.

2. Discuss and Review the 2022 Federal Poverty Level Guidelines and the Utilization of the Federally Qualified Health Center Clinics' Sliding Fee Discount Program; Make Recommendations to the Valleywise Community Health Centers Governing Council to Renew the Federally Qualified Health Center Clinics' Sliding Fee Discount Schedule

Ms. Kaminski stated that the Federal Poverty Level (FPL) guidelines were updated annually by the United States Department of Health and Human Services (HHS) The FPL was used to screen patients for financial counseling services and financial benefit eligibility.

There were no changes to the Valleywise Health Federally Qualified Health Centers (FQHC) Clinics' Sliding Fee Discount Schedule (SFDS). An overview was given of patient utilization per SFDS category and points of comparison were noted between calendar years (CY) 2020 and 2021.

Ms. Kaminski spoke about trending details associated with utilization rates per category. A survey would soon be given to patients to analyze affordability of nominal charges within the program.

She discussed details about Arizona Health Care Cost Containment System (AHCCCS) reimbursement and self-pay by payor.

She talked about the debt collection process, noting that collection agencies used by Valleywise Health did not report to credit bureaus or file liens against patients. Additionally, individuals in categories one and two, which were below the FPL, were not pursued by collection agencies.

Mr. Winkle asked if unpaid balances were ultimately considered as unrecoverable.

Ms. Kaminski explained that if a balance was not paid at the time of service, the patient was billed. If the balance was not received within the billing process period of 120 days, the account was sent to collection. If left unpaid after five to six months, the account was considered uncollectable and written-off.

Vice Chairman Messick asked if any external programs existed in recouping debt for the organization. He commented that there did not seem to be any recourse for unpaid debts.

Ms. Kaminski stated that if a patient was not eligible for AHCCCS, a payment plan was an option. She explained that the collection process at Valleywise Health was quite passive.

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General Session, Presentation, Discussion and Action, cont.:

2. Discuss and Review the 2022 Federal Poverty Level Guidelines and the Utilization of the Federally Qualified Health Center Clinics' Sliding Fee Discount Program; Make Recommendations to the Valleywise Community Health Centers Governing Council to Renew the Federally Qualified Health Center Clinics' Sliding Fee Discount Schedule, cont.

Vice Chairman Messick asked if any grant funding options were available to offset loss of unpaid debt.

Ms. Harding said that options and resources were continuously explored and exhausted in order to reduce bad-debt.

She explained that as a safety net institution, Valleywise Health's mission was to provide healthcare, regardless of an individual's ability to pay. Safety net hospitals typically served a proportionally high number of uninsured, low income, and other vulnerable individuals, maintaining an open-door policy. The Valleywise Health Foundation was an important financial resource in raising funds to support the organization's mission.

Vice Chairman Messick spoke about preemptive funding and other innovatively resourceful ways that may ultimately benefit the patient and organization alike.

Ms. Kaminski shared more details about the SFDS, pointing out nominal charges per category. A recent utilization report indicated that the majority of patients in CY 2020 were either category one or two.

MOTION: Chairman Clotter-Woods moved to make recommendations to the Valleywise Community Health Centers Governing Council to renew the Federally Qualified Health Center Clinics' Sliding Fee Discount Schedule. Mr. Winkle seconded.

VOTE: 4 Ayes: Chairman Clotter-Woods, Vice Chairman Messick, Ms. Imam, Mr. Winkle
0 Nays
Motion passed.

3. Discuss and Review the financial section of the Federally Qualified Health Center Clinics' Operational Dashboard

Ms. Harding presented the FQHC clinics operational dashboard for January, 2022. She reminded the committee about the overall challenges which were attributed to the impact of the COVID-19 pandemic.

She drew attention to appointments scheduled compared to appointment fill rates, month to date (MTD) noting that the majority of clinics met the benchmark. Appointment no show rates were discussed, and consistent improvement was shown over time.

Ms. Harding reviewed MTD clinic visit rates for January and acknowledged areas for opportunity to improve. Many challenges were attributed to workforce vacancies, although staff continued efforts to fill positions. Internal medicine and diabetes education services continued to experience staffing challenges. FQHC clinic visits, MTD, had a favorable variance of 7.8% compared to budget.

Overall, FQHC clinic visits had a favorable variance of 7.2%, compared to budget, fiscal year to date.

Ms. Harding discussed integrated behavioral health service details fiscal year to date (FYTD), which had a 4.5% positive variance for visits compared to budget. She outlined details related to dental clinic visits which had a positive 3.7% variance compared to budget, fiscal year to date.

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General Session, Presentation, Discussion and Action, cont.:

3. Discuss and Review the financial section of the Federally Qualified Health Center Clinics' Operational Dashboard, cont.

Vice Chairman Messick shared positive details about his recent visit to the dental clinic located at Valleywise Community Health Center-Avondale.

4. Discuss and Review the following Finance Committee Reports
 - a. Monthly Federally Qualified Health Center Clinics' Financials and Payer Mix
 - b. Quarterly Valleywise Community Health Centers Governing Council Expenditures Compared to Budget
 - c. Quarterly Federally Qualified Health Center Clinics' Routine Capital Purchases Report
 - d. Quarterly Federally Qualified Health Center Clinics' Care Reimagined Capital Purchases Report

Mr. Meier presented the FQHC clinic financial statistics for January, 2022.

He stated that visits at Valleywise Community Health Centers had a positive 12% variance and total operating revenues had a positive 13% variance. Total operating expenses had a negative 13% variance and the margin before overhead allocation was positive \$1,747.

Mr. Meier noted that expenses throughout financial statistic reports were estimates due to the recent Kronos outage. Staff would reconcile data and present actual amounts when adjustments were available.

Outpatient behavioral health visits were positive by one percent and operating revenues had a positive variance of three percent. Total operating expenses had a negative 24% variance, with the margin before overhead allocation of negative \$31,544.

Mr. Meier outlined visits at the FQHC clinics located within Valleywise Comprehensive Health Center-Phoenix, which had a positive variance of two percent compared to budget. Total operating revenues broke even with budget while total operating expenses had a negative eight percent variance. The margin before overhead allocation was negative \$95,516.

Visits at Valleywise Comprehensive Health Center-Peoria were positive by 12% and total operating revenues had a positive 14% variance. Total operating expenses missed budget by one percent and the margin before overhead allocation was positive by \$58,496.

Mr. Meier stated that dental clinic visits had a negative eight percent variance and total operating revenues had a negative variance of 27 percent. Total operating expenses had a negative variance of 11% with the margin before overhead allocation of negative \$125,307.

Referring to the American Rescue Plan Act (ARPA) award financial section, Mr. Meier commented that accurate financial data would populate into the report when available.

All clinics combined MTD, showed visits had a positive eight percent variance and total operating revenues were positive by 11 percent. Total operating expenses had a negative 15% variance and the margin before overhead allocation was negative \$239,021.

Overall, FYTD, there was a positive seven percent variance for visits compared to budget, with total operating revenues favorable by eight percent. Total operating expenses had a negative nine percent variance with the margin before overhead allocation variance of negative \$277,064.

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General Session, Presentation, Discussion and Action, cont.:

4. Discuss and Review the following Finance Committee Reports, cont.

In reference to six-month payer mix trending, Mr. Meier pointed out an increase in Medicaid by 0.9% and a 1.8% decrease self-pay visits by payor from December 2021 to January 2022. An overall four-year trend indicated a decline in Medicaid and increase in self-pay visits by payor. He reminded the committee to consider the number of influenza vaccination appointments in October 2021, where a large number of the visits were self-pay.

Mr. Meier highlighted Governing Council expenditures compared to budget which included expenses related to other professional services incurred during the retreat. Overall, expenditures compared to budget had a favorable variance, fiscal year to date.

He gave an overview of the FQHC clinics' routine capital with no significant information to communicate.

Mr. Meier presented the Care Reimagined capital purchases report and outlined cumulative total expenses for select Valleywise Community Health Centers and Valleywise Comprehensive Health Centers. The total spent through and including January 2022 was \$127,654,212.

5. Discuss and Review fiscal year 2023 Budget Calendar for the Federally Qualified Health Center Clinics

Mr. Meier outlined details of the fiscal year (FY) 2023 budget calendar for the FQHC clinics and stated the committee would be informed of any changes made.

6. Chair and Committee Member Closing Comments/Announcements

There were no closing comments or announcements.

7. Review Staff Assignments

There were no staff assignments stemming from the meeting.

Adjourn

MOTION: Chairman Clotter-Woods moved to adjourn the March 2, 2022 Valleywise Community Health Centers Governing Council's Finance Committee meeting. Vice Chairman Messick seconded.

VOTE: 4 Ayes: Chairman Clotter-Woods, Vice Chairman Messick, Ms. Imam, Mr. Winkle
0 Nays
Motion passed.

Meeting adjourned at 5:22 p.m.

Cassandra Santos,
Assistant Clerk