

Minutes
<p align="center"> Valleywise Community Health Centers Governing Council Finance Committee Valleywise Health Medical Center April 6, 2022 4:30 p.m. </p>

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*
Claire Agnew, Chief Financial Officer – *participated remotely*
Matthew Meier, Vice President, Financial Services – *participated remotely*
Christie Markos, Director, Financial Planning and Decision Support – *participated remotely*

Others/Guest Presenters: 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 comments.

There were no comments.

NOTE: Ms. Imam joined the meeting at 4:32 p.m.

**Valleywise Community Health Centers Governing Council – Finance Committee
Meeting Minutes – General Session – April 6, 2022**

General Session, Presentation, Discussion and Action:

1. Approval of Consent Agenda:

a. Minutes:

- i. Approve Finance Committee meeting minutes dated March 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 Fiscal Year (FY) 2023 Patient Volume Assumptions and Capital Target for the Federally Qualified Health Center Clinics

Mr. Meier outlined preliminary patient volume assumptions and capital target for the fiscal year (FY) 2023 budget for the Federally Qualified Health Center (FQHC) clinics.

Budget assumptions were calculated using the same methodology to forecast volumes for the prior FY budget. Visits per session were analyzed and forecasted applying many factors and considerations.

Mr. Meier discussed volume assumptions for the community health centers, noting the overall projected 5.1% volume increase compared to the current fiscal year. The increase was partly attributed to the newly opened Valleywise Community Health Center-Mesa, which expanded human immunodeficiency virus (HIV) services to the East Valley. The increase also accounted for visits at the newly opened Valleywise Community Health Center-West Maryvale.

Outpatient integrated behavioral health services were projected to increase by 82.3% compared to current FY projections. The majority of the increase was attributed to the American Rescue Plan Act (ARPA) funds that supported the expansion of integrated behavioral health services.

The projected volumes at Valleywise Comprehensive Health Center-Peoria had a 12.8% increase compared FY 2022, partially due to internal medicine services at that location. Human Immunodeficiency Virus (HIV) services would be available in January 2023 and were factored into projected volumes.

The FQHC clinics located within Valleywise Comprehensive Health Centers-Phoenix had a minimal projected decrease of 0.5 percent.

With respect to the dental clinics, Mr. Meier stated that volumes were projected to slightly decrease by 1.8% due to provider turnover. The ramp-up of new providers was considered when developing volume assumptions.

Overall, the FQHC clinics had a projected increase in volume of 7.8% for FY 2023 compared to FY 2022.

Mr. Meier provided a high-level report on the projected District Medical Group (DMG) provider full-time equivalents (FTEs), by clinic location.

While there were no specific capital requests budgeted for FY 2023, there was \$100,000 in capital contingency.

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

2. Discuss and Review Fiscal Year (FY) 2023 Patient Volume Assumptions and Capital Target for the Federally Qualified Health Center Clinics, cont.

Ms. Harding stated the goal was to provide internal medicine services at all FQHC clinics, recognizing the complexity of comorbidities and longer overall population life expectancy. Another focus was to eventually implement family practice services at Valleywise Community Health Center-West Maryvale.

Mr. Meier provided a high-level report on the projected District Medical Group (DMG) provider full-time equivalents (FTEs), by clinic location.

While there were no specific capital requests budgeted for FY 2023, there was \$100,000 in capital contingency.

Ms. Harding stated that the goal was to provide internal medicine services at all FQHC clinics, recognizing the complexity of comorbidities and longer overall population life expectancy. Another focus was to eventually implement family practice services at Valleywise Community Health Center-West Maryvale.

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 February, 2022.

She referenced appointments scheduled compared to appointment fill rates, month to date (MTD). She noted that many clinics met the benchmark. She highlighted appointment no show rates and noted that the majority of clinics met the benchmark.

Ms. Harding outlined individual clinic visit rates for February, acknowledging areas with opportunity to improve. Many challenges were attributed to workforce vacancies, although staff continued efforts to fill positions. An example was diabetes education services, which continued to experience ongoing staffing challenges.

Overall, FQHC clinic visits, MTD, had a favorable variance compared to budget.

Ms. Harding highlighted individual FQHC clinic visits fiscal year to date (FYTD) noting clinics not meeting benchmarks. Overall, there was a favorable variance of 6.5 percent for visits compared to budget.

She discussed outpatient behavioral health service visits, FYTD, pointing out challenges associated with staffing vacancies. She mentioned that Valleywise Community Health Center-Mesa was ramping up efforts from the recent move. Overall, visits had a positive 6.8% variance compared to budget.

Ms. Harding referenced individual dental clinic visit rates and reminded the committee about challenges stemming from the COVID-19 pandemic. She explained staffing vacancies due to a provider resignation and military leave. Another provider recently enrolled in a pediatric dentistry residency program in Tucson, with a possibility of return upon course completion. All challenges considered, the dental clinics had an overall positive 3.1% variance compared to budget, fiscal year to date.

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

4. Discuss and Review the following Finance Committee Reports
 - a. Monthly Federally Qualified Health Center Clinics' Financials and Payer Mix
 - b. Quarterly Health Resources Services Administration (HRSA) Grant Funding Awards Utilization for the Federally Qualified Health Center Clinics

Mr. Meier highlighted FQHC clinic financial statistics for February 2022.

Valleywise Community Health Centers essentially met budget and total operating revenues had a positive 11% variance. Total operating expenses had a negative nine percent variance and the margin before overhead allocation was positive by \$79,478.

Outpatient behavioral health visits had a positive variance of 24% and total operating revenues had a positive 34% variance. Total operating expenses had a negative 68% variance and the margin before overhead allocation was negative by \$9,657.

Mr. Meier summarized visits at the FQHC clinics located within Valleywise Comprehensive Health Center-Phoenix which were favorable by one percent. Total operating revenues had a positive variance of two percent, with total operating expenses also positive by two percent. The margin before overhead allocation was positive by \$42,692.

Visits at Valleywise Comprehensive Health Center-Peoria were positive by eight percent and total operating revenues had a positive eight percent variance. Operating expenses were positive by five percent and the margin before overhead allocation was positive by \$60,619.

Mr. Meier stated that dental clinic visits had a negative one percent variance and total operating revenues had a negative 17% variance. Operating expenses had a negative variance of two percent with a margin before overhead allocation of negative \$57,632.

Referring to the ARPA award financial section, Mr. Meier noted additional financial data would populate into the report as it became available. The margin after overhead allocation was \$67,524

All clinics combined had a positive two percent variance and total operating revenues had a positive variance of 14%. Total operating expenses had a negative 11% variance and the margin before overhead allocation was positive \$183,024.

Overall year-to-date (YTD), there was a positive seven percent variance for visits compared to budget, with total operating revenues favorable by nine percent. Total operating expenses were unfavorable by nine percent with the margin before overhead allocation negative by \$78,921.

In reference to a six-month payer mix trend, Mr. Meier pointed out a decrease in Medicaid and an increase self-pay visits in February 2022 compared to the month prior. A four-year trend indicated a decline in Medicaid and an increase in self-pay visits by payor.

Ms. Harding expressed the importance of providing information to the committee related to Health Resources Services Administration (HRSA) grant funding award spending for the FQHC clinics.

Mr. Meier gave a brief overview of HRSA grant funding award implementation and utilization for the FQHC clinics. The report included the name, description, and purpose of the grant, the grant period and award amounts, and the total amounts spent as of January 2022. He provided an individual breakdown of particular grant total spend amounts.

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

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

Valleywise Health received full FQHC status in September 2019 through the New Access Point (NAP) grant from HRSA. Valleywise Health would receive \$650,000 each year for three years to help provide operational support for integrated behavioral health services, among other things. The total spend amount from September 2021, through January 2022 was \$270,883

Mr. Meier summarized the Expanding Capacity for Coronavirus Testing (ECT) grant, which was awarded May 1, 2020, ending April 30, 2022. Funding in the amount of \$1,408,999 assisted in covering expenses related to the purchase, administration, and expansion of testing to monitor and suppress COVID-19, including point of care (POC) testing and personnel resources. The total spend amount was \$901,178.

He highlighted details of the Coronavirus Aid, Relief, and Economic Security (CARES) Act award, which provided funding in the amount of \$2,389,132, distributed over the period of April 1, 2020 through March 31, 2022. This assisted the FQHC clinics with expenses related to the prevention, diagnosis, and treatment of COVID-19 and also to maintain and increase staff during the pandemic. It included purchase of the subscription for telehealth resources, contracted physicians, health information management (HIM) coding, and personnel benefits. The total spend amount was \$1,913,141.

Mr. Meier spoke about the \$16,889,500 funding as part of the ARPA, to assist in prevention, mitigation and response to COVID-19. Additionally, it would support and enhance overall health care services and infrastructure. The grant funding period was from April 1, 2021 through March 31, 2023 and the total spend amount was \$68,578. He reiterated that additional data would be provided routinely as it became available.

5. Chair and Committee Member Closing Comments/Announcements

Ms. Harding said that she wanted to explore ways to engage the committee in asking questions throughout discussions.

Vice Chairman Messick said that it would be helpful for staff to identify discussion points to reference during meetings.

Ms. Harding expressed that the objective was for the committee to analyze trends to discuss significant aspects related to the financial overview of the FQHC clinics. It was important to also discuss staff's rationale related to financial operations affecting the FQHC clinics.

Mr. Winkle commented on the level of authority that the committee and the Governing Council had in their financial oversight of the FQHC clinics.

Vice Chairman Messick suggested a future agenda item to assess monthly meeting effectiveness to improve meeting outcomes and oversight.

6. Review Staff Assignments

Ms. Talbot reviewed staff assignments and follow up requests stemming from the meeting.

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Adjourn

MOTION: Chairman Clotter-Woods moved to adjourn the April 6, 2022 Valleywise Community Health Centers Governing Council's Finance Committee meeting. Mr. Winkle seconded.

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

Meeting adjourned at 5:26 p.m.

Cassandra Santos,
Assistant Clerk