

## Minutes

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

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

**Voting Members Absent:** Salina Imam, Member

**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 4:31 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.

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.

**Valleywise Community Health Centers Governing Council – Finance Committee  
Meeting Minutes – General Session - May 4, 2022**

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

1. Approval of Consent Agenda:

a. Minutes:

i. Approve Finance Committee meeting minutes dated April 6, 2022

**MOTION:** Chairman Clotter-Woods moved to approve the consent agenda. Mr. Winkle seconded.

**VOTE:** 3 Ayes: Chairman Clotter-Woods, Vice Chairman Messick, Mr. Winkle  
0 Nays  
1 Absent: Ms. Imam  
**Motion passed.**

2. Discuss and Review fiscal year 2023 capital target for the Federally Qualified Health Center Clinics; Discuss, Review, and Approve fiscal year 2023 patient volumes for the Federally Qualified Health Center Clinics

Mr. Meier presented 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 projections in previous years and visits per session were analyzed and forecasted considering various factors.

Mr. Meier outlined volume assumptions for the community health centers, noting an overall 4.1% increase compared to the current fiscal year. The increase was attributed to the relocated Valleywise Community Health Center-Mesa, which expanded human immunodeficiency virus (HIV) services to the East Valley. The increase also accounted for visits at Valleywise Community Health Center-West Maryvale, which recently opened.

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

Projected volumes at Valleywise Comprehensive Health Center-Peoria had a 12.8% increase compared the current FY, due to factors associated with internal medicine and HIV services. FQHC clinics within Valleywise Comprehensive Health Center-Phoenix had a projected decrease of 2.4%, due to various factors.

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 and relocation of Valleywise Community Health Center-Mesa were factors taken into consideration.

Compared to the FY 2022, the FQHC clinics had a projected volume increase of 6.8% for FY 2023.

Mr. Meier provided a report on projected District Medical Group (DMG) providers by clinic location, noting an overall 0.5% increase in full-time equivalents (FTEs). He elaborated on the factors that attributed to the increase.

Chairman Clotter-Woods asked for more detail about the rationale to increase FTEs.

Mr. Meier said that staffing needs were taken into consideration, per clinic location, particularly related to new openings and refugee service expansion within the system.

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

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

2. Discuss and Review fiscal year 2023 capital target for the Federally Qualified Health Center Clinics; Discuss, Review, and Approve fiscal year 2023 patient volumes for the Federally Qualified Health Center Clinics, cont.

**MOTION:** Chairman Clotter-Woods moved to approve fiscal year 2023 patient volumes for the Federally Qualified Health Center Clinics. Mr. Winkle seconded.

**VOTE:** 3 Ayes: Chairman Clotter-Woods, Vice Chairman Messick, Mr. Winkle  
0 Nays  
1 Absent: Ms. Imam  
**Motion passed.**

3. Discuss, Review and Make Recommendations to the Valleywise Community Health Centers Governing Council to Approve the utilization of fiscal year 2022 Federally Qualified Health Center Clinics' capital contingency funds in an amount not to exceed \$32,000, for completion of the testing and immunization building at Valleywise Comprehensive Health Center-Phoenix

Ms. Harding explained that the organization provided COVID-19 testing and immunization at Valleywise Comprehensive Health Center-Phoenix, as well as other locations. The objective was to upgrade the building situated the that services for testing and immunization needs would be available for years to come.

She said that contracts assessments were finalized and noted the estimated cost to complete the project was approximately \$32,000. Approval for the utilization of capital contingency funds was requested to complete the project.

Mr. Winkle asked for further explanation of capital contingency funds.

Ms. Harding defined capital contingency as reserved funds for the FQHC clinics, which covered uncertainties or unexpected debt outside the range of the operating budget.

**MOTION:** Chairman Clotter-Woods moved to make recommendations to the Valleywise Community Health Centers Governing Council to approve the utilization of fiscal year 2022 Federally Qualified Health Center Clinics' capital contingency funds in an amount not to exceed \$32,000, for completion of the testing and immunization building at Valleywise Comprehensive Health Center-Phoenix. Vice Chairman Messick seconded.

**VOTE:** 3 Ayes: Chairman Clotter-Woods, Vice Chairman Messick, Mr. Winkle  
0 Nays  
1 Absent: Ms. Imam  
**Motion passed.**

4. Discuss and Review the following Finance Committee Reports
  - a. Monthly Federally Qualified Health Center Clinics' Financials and Payer Mix
  - b. Quarterly Federally Qualified Health Center Clinics' Referral Report

Mr. Meier highlighted FQHC clinic financial statistics for March, 2022.

Valleywise Community Health Centers had a positive six percent variance for visits and total operating revenues had a positive 15% variance. Total operating expenses were unfavorable by 12% and the margin before overhead allocation was positive \$149,949.

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

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

Outpatient behavioral health visits had a favorable variance of 45% with total operating revenues positive by 54 percent. Total operating expenses had a negative 89% variance with the margin before overhead allocation of \$16,343.

Mr. Meier summarized visits at the FQHC clinics located within Valleywise Comprehensive Health Center-Phoenix was one percent better than budget. Total operating revenues had a positive variance of four percent and total operating expenses were positive by three percent. The margin before overhead allocation was positive by \$80,236.

Visits at Valleywise Comprehensive Health Center-Peoria were positive by 10% and total operating revenues had a positive variance of seven percent. Operating expenses were unfavorable by three percent with a positive margin before overhead allocation of \$22,983.

Dental clinic visits had a positive 10% variance while total operating revenues had a negative variance of nine percent. Operating expenses had a positive variance of six percent with a margin before overhead allocation negative by \$2,231.

Mr. Meier stated that data related to the ARPA financial section would be updated as it became available.

Visits at all clinics combined had a positive seven percent variance with total operating revenues positive by 18% for the month. Total operating expenses had a negative 14% variance with a margin before overhead allocation positive by \$285,516.

Overall year-to-date (YTD) there was a positive seven percent variance for visits compared to budget and total operating revenues had a positive 10% variance. Although total operating expenses were unfavorable by nine percent, the margin before overhead allocation was positive \$206,771.

In reference to the to a six-month payer mix trend, Mr. Meier pointed out a decrease in Medicaid of 0.6% and a 0.7% decrease in self-pay visits. He pointed out an increase in commercial insurance reimbursements. The four-year trend indicated a decline in Medicaid and an increase in self-pay.

Mr. Meier gave a brief overview of the FQHC clinics referral report for the third quarter of FY 2022 which revealed a decrease in the number of internal referrals compared to the prior quarter.

5. Discuss Finance Committee monthly meeting effectiveness

Ms. Harding encouraged engagement of the committee during meetings to maintain understanding of their fiscal responsibility of the FQHC clinics. The objective was for the committee to ask questions, analyze trends and discuss significant aspects related to their financial oversight. It was important to also discuss and consider staff's rationale related to various financial operations affecting the clinics.

She suggested providing the committee with talking point prompts prior to meetings to ultimately promote meeting preparedness and efficiency.

Chairman Clotter-Woods stated that those provisions would be beneficial to the committee.

Vice Chairman Messick agreed in the value of talking points to provoke thoughtful discussion.

He further emphasized the importance of time management during meetings, noting that high-level visual report presentation would allow more adequate time for discussion and trend analysis.

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

5. Discuss Finance Committee monthly meeting effectiveness, cont.

Mr. Winkle agreed. He provided examples of reports that may be challenging to digest for an individual lacking financial experience.

The committee discussed meeting efficiency, ideas for engagement, analyzing trends, steps toward proficient participation, fiscal understanding and overview, and recapped recurring meeting frequency.

6. Chair and Committee Member Closing Comments/Announcements

There were no closing comments or announcements.

7. Review Staff Assignments

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

She noted that the old business item from April 2022 to assess monthly meeting effectiveness, was considered satisfied.

**Adjourn**

**MOTION:** Chairman Clotter-Woods moved to adjourn the May 4, 2022 Valleywise Community Health Centers Governing Council's Finance Committee meeting. Mr. Winkle seconded.

**VOTE:** 3 Ayes: Chairman Clotter-Woods, Vice Chairman Messick, Mr. Winkle  
0 Nays  
1 Absent: Ms. Imam  
**Motion passed.**

Meeting adjourned at 5:20 p.m.

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Cassandra Santos,  
Assistant Clerk