



AT THE SOUTHERN NEVADA HEALTH DISTRICT

MINUTES

SOUTHERN NEVADA COMMUNITY HEALTH CENTER FINANCE & AUDIT COMMITTEE MEETING

March 20, 2022 – 2:00 p.m.

Meeting was conducted via Webex Event

MEMBERS PRESENT:	Donna Feliz-Barrows – Community Member, Grief Recovery Nevada Father Rafael Pereira – Community Member, All Saints Episcopal Church
ABSENT:	N/A
ALSO PRESENT: (In Audience)	None
LEGAL COUNSEL:	Heather Anderson-Fintak, General Counsel
EXECUTIVE DIRECTOR:	Fermin Leguen, MD, MPH, District Health Officer
STAFF:	Tawana Bellamy, Andria Cordovez Mulet, Randy Smith, Fernando Lara, Donnie Whitaker, David Kahananui, Justin Tully, Kimberly Monahan, Luann Province

I. **CALL TO ORDER and ROLL CALL**

As a Chair has not been selected for this committee, Member Feliz-Barrows called the Southern Nevada Community Health Center Finance & Audit Committee Meeting to order at 2:02 p.m. Tawana Bellamy, Administrative Secretary, administered the roll call and confirmed a quorum.

II. **PLEDGE OF ALLEGIANCE**

III. **FIRST PUBLIC COMMENT:** A period devoted to comments by the general public about those items appearing on the agenda. Comments will be limited to five (5) minutes per speaker. Please clearly state your name and address and spell your last name for the record. If any member of the Board wishes to extend the length of a presentation, this may be done by the Chair or the Board by majority vote.

Seeing no one, Member Feliz-Barrows closed the First Public Comment portion.

IV. **ADOPTION OF THE MARCH 20, 2023 MEETING AGENDA** *(for possible action)*

A motion was made by Member Father Rafael, seconded by Member Feliz-Barrows, and carried unanimously to approve the March 20, 2023 Agenda, as presented.

V. **REPORT / DISCUSSION / ACTION**

1. **Approve Finance & Audit Committee Meeting Minutes – November 15, 2022;** direct staff accordingly or take other action as deemed necessary *(for possible action)*

A motion was made by Member Father Rafael, seconded by Member Feliz-Barrows, and carried unanimously to approve the November 15, 2022 Finance & Audit Committee Minutes, as presented.

2. Receive, Discuss and Accept the FY24 Annual Budget and Approve Recommendations to the Southern Nevada Community Health Center Governing Board on March 21, 2023; direct staff accordingly or take other action as deemed necessary (*for possible action*)

Donnie (DJ) Whitaker, Chief Financial Officer advised the purpose of an overview of the FY24 Budget with the following highlights:

- Nevada Revised Statutes (NRS) outlines the purpose of Local Government Budget and Finance Act - NRS 354.472.
- FY24 Budget is effective July 1, 2023 through June 30, 2024.
- Budget is due to the County by April 1, 2023.
- Sexual Health Department will be part of FQHC Division effective July 1, 2023 (FY24) formerly from Primary & Preventive Care Division.
- Combined Revenue (General Funds and Special Revenue) – proposed FY2024 Annual Budget Revenue was \$30.1M.
- Combined Revenue (General Funds and Special Revenue) FY2023 Augmented Budget Revenue was \$24.5M.
- General Fund:
 - Total charges for services revenue were projected at \$20.3M, an increase of \$4.9M or 32.3% compared to FY2023 augmented budget of \$15.4M
 - Based on new FQHC revenue model, revenues increased by \$2.6M in anticipation of new providers and projected patient visits of over 29,000.
 - Sexual Health revenue was projected at \$1.3M and Pharmacy revenue was expected to increase of \$1.0M.
- Special Revenue Fund:
 - Federal and Pass Thru (Intergovernmental) revenue was projected at \$8.4M compared to \$7.7M in FY2023.
- Combined Expenditures (General Funds and Special Revenue)
 - FY2024 is \$37.5M compared to \$29.7M in the augmented FY2023 budget.
 - Sexual Health department will be part of FQHC in July 2023 and projected total expenses is \$3.5M.
 - General Fund Pharmacy Medical supplies increased from \$10.7M to \$11.8M, an increase of \$1.1M or 9.8% as a revenue offset under Insurance account. Contractual also increased by \$600K.
 - Total salaries and benefits for General & Grants funds increased by \$4.8M from \$8.9M to \$13.7M in FY2024 due to additional Personnel and Sexual Health reorganization.
 - Net Income/Loss for FY2023 Augmented Budget was negative \$5.25M and the projected FY2024 Annual Budget is negative \$7.4M – this includes Sexual Health.
- Staffing
 - FQHC has 81.30 active full-time employees (FTE), 16 vacant positions.
 - Sexual Health has 21 active full-time employees, 5 vacant positions.
 - Out of the 21 vacant positions, 10 are additional employees requested for FY2024.

Member Father Rafael inquired if this is the final budget for FY2024. Ms. Whitaker commented yes. Ms. Whitaker advised that we will be able to augment the budget later in the year. We are presenting this early before we have a lot of the information related to the current year because our budget is included with County's. This budget is projected based on the work we have done with the division's projected revenue and expenses.

Member Father Rafael inquired about the Behavioral Health budget and what it will be for FY2024. Member Father Rafael also inquired about why FQHC is absorbing Sexual Health with a deficit and if they were already operating with a deficit. Dr. Leguen advised that Sexual Health was operating in a deficit. Dr. Leguen further advised that the Sexual Health Clinic is being brought back into the Health Center as a recommendation from the HRSA Operational Site Visit conducted in 2022. HRSA was more interested in the number of participants receiving services than the compliance with quality indicators. That was the reason Sexual Health was removed from the Health Center initially. There were concerns about being able to comply with most of the quality indicators that

HRSA required from the medical visits. Dr. Leguen further advised that sexual health patients usually come one or two times then do not return after their problem is resolved. Also, some of the patients may have assigned primary care providers and we would not be able to incorporate some of those patients into our practice as HRSA patients. The other thing that is not incorporated is the revenue generated from the Wrap. There will be a number of sexual health patients that eventually become Health Center patients. In the long term to help balance out the deficit we have today. We recognized the initial negative balance. Sexual health services are a public health intervention that is expected to be in the rear because the expectation is to provide the service.

Member Father Rafael thanked Dr. Leguen for his response and inquired about everyone being aware of the deficit of the Sexual Health Clinic. Dr. Leguen commented that once the Sexual Health Clinic is a part of the Health Center, the next thing would be to streamline the staffing and how the services will be delivered.

Member Father Rafael inquired about seeing the annual budget by department, income and expenses. Ms. Whitaker commented, yes and she will provide that information at the Governing Board meeting on March 21, 2023. Member Father Rafael advised that will not be at the meeting and asked that the information be presented to the board in detail the same way the monthly financial report is presented.

A motion was made by Member Feliz-Barrows, seconded by Member Father Rafael, and carried unanimously to accept the FY24 Annual Budget with the changes request by Member Father Rafael to add budget information by department and Approve Recommendations to the Southern Nevada Community Health Center Governing Board on March 21, 2023.

3. Receive, Discuss and Accept the January 2023 YTD Financial Reports and Approve Recommendations to the Southern Nevada Community Health Center Governing Board on March 21, 2023; direct staff accordingly or take other action as deemed necessary (*for possible action*)

Ms. Whitaker presented the January 2023 YTD Financial report as of January 31, 2023 and provided the following highlights:

FQHC – All Funds by Division:

- Total FQHC Revenue – Budget was \$13.6M, Actual was \$14.5M
- Salaries & Benefits – Budget was \$5.2M, Actual was \$4.4M, majority is due to position vacancies.
- Supplies – Budget was \$6.9M, Actual was \$8M
- Net Position – Budget as of January 2023 was negative \$2.8M, Actuals of January 2023 was negative \$1.9M.

Patients by Department (number of encounters from July 1, 2022 through January 31, 2023):

- Total patients for all departments: 14,372
 - Behavioral Health: 925 patients
 - Pharmacy: 6,329 (largest number of encounters)

Revenue by Department:

- Charges for Services
 - A big part of the increased revenue was in Pharmacy and Wrap Payments.

Expenses by Department:

Under Other (Supplies, Contractual, Capital) Pharmacy is the majority of the expenses – Budget was \$6.3M, Actual was \$7.5M

FQHC General Fund:

- Net Position – Budget was negative \$2.8M, Actual was negative \$1.8M, a variance of \$989K.

FQHC Special Revenue Fund:

- Net Position – Budget was zero (0), Actual was negative \$118K due to timing differences.

Member Father Rafael commented that he would like to see the FY2024 budget presented the same way as the January financial report with the breakdown by department. Include Sexual Health and the Behavioral Health. The detail information is excellent to help the board analyze and approve the FY2024 budget.

A motion was made by Member Feliz-Barrows, seconded by Member Father Rafael, and carried unanimously to accept the January 2023 YTD Financial Reports and Approve Recommendations to the Southern Nevada Community Health Center Governing Board on March 21, 2023.

4. Receive, Discuss and Accept the Federal Poverty Levels/Sliding Fee Schedule and Approve Recommendations to the Southern Nevada Community Health Center Governing Board on March 21, 2023; direct staff accordingly or take other action as deemed necessary (*for possible action*)

Ms. Whitaker presented the Federal Poverty Levels/Sliding Fee Schedule and provided the following highlights:

- Sliding Fee Schedule is tied to the federal poverty guidelines (FPG).
- Offering a Sliding Fee Schedule for qualifying patients is a requirement.
 - Health And Human Services (HHS)
 - Health Resources and Services Administration (HRSA)
 - Other Pass-Through Grants
- The Federal Poverty Guidelines are published annually by HHS. It was published January 19, 2023 to account for last calendar year's increase in prices as measured by the Consumer Price Index.
- 2023 rates reflect the 8% increase to the Consumer Price Index For All Urban Consumers (CPI-U) from calendar year 2021 and 2022.

Ms. Whitaker presented the current sliding fees and full charge for income above FPG for Primary Care, Family Planning, Sexual Health Clinic and Ryan White with the Ryan White program having some additional limits. To determine the sliding fee, clients must complete an application which requires them to provide proof of income, employment status and identify all other types of income, and number of people supported by the income. Ms. Whitaker further reviewed the percent of poverty levels from 100% to 250% and their corresponding chart noting the family size, income levels and what the FPG charge would be for each program. Depending on poverty level, family size, and income, clients eligibility to participant on the sliding fee program is determined as is their place on the sliding fee schedule.

Mr. Smith commented about full charges and that HRSA has some cut off at 200% of the FPL, however, the rule still always stand that we are required to see patients regardless of their ability to pay.

Member Feliz-Barrows inquired about the \$20 charge for some service areas in the first tier when there are other programs with \$0 charge. Mr. Smith commented that the requirements of some programs require that the nominal fee be set at \$0. Other programs give us the flexibility to determine what is the nominal fee will be. Mr. Smith further explained that the nominal fee is separate from the sliding fee scale. A nominal fee is 100% or below. The dollar amount is not on a scale or based on anything. The levels in between 100-200%, in some cases, 250% or even 300% is what is considered the sliding scale.

Dr. Leguen commented that Family Planning and Ryan White are federal programs/federal grants. The grant requires people who are over 100% federal poverty level should not pay anything, and we do that at the Health Center. Sexual Health and Primary Care do not fall in that category.

Member Feliz-Barrows expressed her concerns for people who may not be able to afford \$20. Mr. Smith commented that the Health Center will see people regardless of their ability to pay. Mr. Smith further commented that the fees can be adjusted with the board for approval.

Ms. Anderson-Fintak commented that the FPG do not change the fees. It is just to change who is eligible for the fees. The new fee schedule will be presented next month.

A motion was made by Member Feliz-Barrows, seconded by Member Father Rafael, and carried unanimously to accept the Federal Poverty Levels/Sliding Fee Schedule and Approve Recommendations to the Southern Nevada Community Health Center Governing Board on March 21, 2023.

- VI. SECOND PUBLIC COMMENT:** A period devoted to comments by the general public, if any, and discussion of those comments, about matters relevant to the Board's jurisdiction will be held. Comments will be limited to five (5) minutes per speaker. If any member of the Board wishes to extend the length of a presentation, this may be done by the Chair or the Board by majority vote.

Seeing no one, Member Feliz-Barrows closed the Second Public Comment portion.

XIII. ADJOURNMENT

Member Feliz-Barrows adjourned the meeting at 2:55 p.m.

Fermin Leguen, MD, MPH
District Health Officer/Executive Secretary/CHC Executive Director

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