
**VIRTUAL: Finance Committee
Meeting Minutes of
Thursday, October 5th, 2023
2:00 p.m. – 4:00 p.m.**

Office of HIV Planning, 340 N. 12th St., Suite 320, Philadelphia PA 19107

Present: Michael Cappuccilli, Keith Carter, Alan Edelstein (Co-chair), Adam Williams (Co-Chair)

Guests: Ameenah McCann-Woods (DHH)

Staff: Beth Celeste, Tiffany Dominique, Sofia Moletteri, Mari Ross-Russell, Kevin Trinh

Call to Order: A. Edelstein called the meeting to order at 2:04 p.m.

Introductions: A. Edelstein skipped introductions.

Approval of Agenda:

A. Edelstein referred to the October 2023 Finance Committee agenda and asked for a motion to approve the October 2023 agenda. **Motion:** M. Cappuccilli motioned; K. Carter seconded to approve the October 2023 Finance Committee agenda via Zoom poll. Motion passed: 3 in favor, 1 abstaining. The October 2023 Finance Committee agenda was approved.

Approval of Minutes (September 7th, 2023):

A. Edelstein referred to the September 2023 Finance Committee minutes. **Motion:** K. Carter motioned; M. Cappuccilli seconded to approve the September 2023 meeting minutes via Zoom Poll. Motion passed: 2 in favor, 2 abstaining. The September 2023 Finance Committee minutes were approved.

Report of Co-chairs:

None.

Report of Staff:

M. Ross-Russell stated that the recipient had promised during the previous meeting to provide a comprehensive report on the missing directives. She mentioned that this was likely to happen during the upcoming full HIV Integrated Planning Council (HIPC) meeting or Comprehensive Planning Committee (CPC) meeting due to being behind schedule and understaffed.

She also noted that, previously, they had anticipated that the Department of Health and Human Services (DHH) would review the Integrated Plan in a single meeting. However, she informed the committee that the review of the Integrated Plan would be extended, beginning with the

review of pillars 1 and 3 in the October HIPC meeting and continuing into the November HIPC meeting.

Furthermore, M. Ross-Russell informed the group that she was unlikely to attend the November HIPC meeting.

Discussion Items:

-Second Quarter Spending Report-

A. McCann-Woods greeted the committee and announced that she would be presenting the Second Quarter Spending Report. She referred to the spending data for the eligible metropolitan area (EMA) as of August 31, 2023. She pointed out that they had identified a total underspending of \$1,457,829 or 13%. A. McCann-Woods explained that numbers on the spreadsheet highlighted in red indicated underspending by more than 10%, while numbers in green indicated overspending by more than 10%. Numbers in black denoted expenditures within the expected range.

A. McCann-Woods began reviewing the spending region by region, starting with Philadelphia County. In Philadelphia, five services were underspent. Ambulatory Care was underspent by \$480,625, which accounted for 21% of its budget. The underspending was attributed to late invoicing, delayed spending on operating costs, and consumers opting for similar services, rather than staff vacancies. Case management services were underspent by \$526,210, constituting a 27% underspending rate. This was mainly due to vacancies and high turnover in the case management staff. The Drug Reimbursement Program saw an underspending of \$95,245, or 41%, which was caused by late invoicing, lower utilization, and consumer access to similar services. Substance Abuse Treatment - Outpatient was underspent by \$70,798, or 28%, primarily due to late invoicing and staff vacancies. Transportation was underspent by \$3,429, or 59%, which, while not as significant as other services, was notable for allocations. This underspending was also attributed to late invoicing.

After reviewing underspending in Philadelphia, A. McCann-Woods moved on to review overspending. Four services were found to be overspent in Philadelphia. Emergency Financial Assistance (EFA) was overspent by \$72,756, representing a 314% increase, mainly due to higher utilization as patients returned to in-person care. EFA-AIDS Pharmaceutical Assistance (EFA-Pharma) was overspent by \$10,773, or 10%, again due to higher utilization. EFA-/Housing was overspent by \$24,099, or 10%, while Housing Assistance services were overspent by \$34,546, or 13%, both due to higher utilization. Food Bank Services were overspent by \$103,272, representing a 103% increase, which was attributed to overutilization. A. McCann-Woods explained that food banks had restrictions during the pandemic, but these restrictions were slowly being lifted. They anticipated higher service utilization but were unsure when or if it would level out, given the ongoing abnormal situation caused by COVID-19.

M. Cappuccilli inquired about indications that service utilization might decrease in the future. A. McCann-Woods admitted that they couldn't predict the future accurately, but she believed that people would continue to require these services due to the rising cost of living. M. Ross-Russell asked whether the rising cost of living could be attributed to increased utility costs, such as gas and electricity, related to the war in Ukraine. A. McCann-Woods confirmed that there were

indeed rising costs in electricity and gas bills. She added that many people were moving, some were approved for the housing voucher program, and the political and economic climate had a significant impact on utility costs.

A. McCann-Woods proceeded to review the Second Quarter Spending Report for PA Counties. She started with the underspending within the counties. Ambulatory Care was underspent by \$100,805, or 24%, primarily due to late invoicing, delayed operating expenses, and consumers choosing alternative services. Case management services were underspent by \$77,861, a rate of 11%, and this was attributed to staff vacancies and turnovers. Substance Abuse Treatment - Outpatient saw an underspending of \$23,794, or 22%, mainly due to vacancies and late invoicing. EFA-Pharma was underspent by \$53,929, or 53%. A. McCann-Woods mentioned that EFA-Pharma was typically underspent, and it had returned to underspending as Special Pharmaceutical Benefits Program (SPBP) processes became more efficient.

Oral Health Care in the PA Counties was mistakenly reported as overspent by \$224,363, or 235%. A. McCann-Woods clarified that this was a formula miscalculation, and upon further review, they found that Oral Health Care spending was on target. EFA was overspent by \$10,754, or 79%, due to higher utilization in the counties.

A. Edelstein asked about how the Department of Health and Human Services (DHH) typically handled overspent service categories and where the additional funding to cover these gaps came from. A. McCann-Woods explained that DHH had a process for monitoring service categories to detect overspending. Sub-recipients could also alert DHH if there was overspending at their location. If additional funding was needed, sub-recipients could request more funding from DHH. As long as the need did not exceed the 10% budget threshold, funding could be allocated from other services or carried over from previous funding periods to address the need. DHH aimed to be proactive and not wait until they were almost out of funding. The sub-recipients were generally aware of their spending patterns and needs, so DHH and the sub-recipients coordinated to mitigate funding issues.

M. Cappuccilli asked if they would have more accurate funding information for Oral Health Care in the next HIPC meeting, and A. McCann-Woods confirmed.

A. McCann-Woods asked if there were any additional questions about overspending. After confirming there were no further questions, she continued with the review of the spending in New Jersey Counties. In New Jersey, Ambulatory Care was underspent by \$56,404, or 10%. The reasons were similar to those in other EMA regions: late invoicing, delayed spending, and consumers opting for alternative services. Case Management Services were underspent by \$67,578, a rate of 31%, primarily due to vacancies and staff turnovers. EFA-Housing services were underspent by \$39,321, or 72%. The causes for this underspending were still under review, but they knew there was decreased utilization.

Food Bank/Home Delivered Meals in the New Jersey Counties were overspent by \$7,468, or 27%. A. McCann-Woods explained that carryover funding influenced the overspending, as they needed to prioritize this funding before using the allocated funds for that quarter. M. Ross-Russell noted that a similar situation was observed in Philadelphia's food banks.

A. McCann-Woods then reviewed the Systemwide Allocations. These categories were typically underspent. Information and Referral was underspent by \$121,612, or 38%. Quality Management was underspent by \$87,720, or 31%. Capacity Building was underspent by \$52,264, or 91%. Planning Council Support was underspent by \$108,737, or 40%. Grantee Administration was underspent by \$148,705, or 23%. Late invoicing and vacancies were the primary causes of underspending in these categories, with hiring practices contributing to staff vacancies.

A. McCann-Woods proceeded to review the Minority AIDS Initiative (MAI) spending report, where the only notable category was Medical Case Management, which had overspent by \$174,301, or 25%. This was attributed to operating expenses, and it was expected to level out by the second half of the contract period. She then reported that there was no carryover funding to discuss at the time of the meeting.

M. Cappuccilli inquired about the implications of overspending in the EMA overall. A. Edelstein stated that it had never happened. A. McCann-Woods mentioned that they were typically underspent in the EMAs overall and had never witnessed an overspending situation during her tenure. M. Ross-Russell added that the closest they had come to overspending in the EMA overall was a 2% underspending scenario.

A. McCann-Woods concluded by summarizing the information presented and mentioned that more details regarding carryover funding might be available in the future.

Other Business:

None.

Announcements:

K. Carter announced that there was an event the next day called “CONNECTING THE DOTS VI Understanding the Intersection of HIV and Mental Health.”

Adjournment:

A. Edelstein called for a motion to adjourn. **Motion:** K. Carter motioned; M. Cappuccilli seconded to adjourn the October 2023 Finance Committee meeting. **Motion passed:** All in favor. Meeting adjourned at 2:44 p.m.

Respectfully submitted,

Kevin Trinh, staff

Handouts distributed at the meeting:

- October 2023 Finance Committee Meeting Minutes
- September 2023 Finance Committee Meeting Meeting Minutes