

**Philadelphia HIV Integrated Planning Council
Finance Committee
Meeting Minutes of
Thursday, November 4, 2021
2:00-4:00 p.m.**

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

Present: Mike Cappuccilli, Keith Carter, Alan Edelstein (Co-Chair), Dave Gana (Co-Chair), Marilyn Martinez

Guests: Ameenah McCann-Woods (AACO)

Staff: Beth Celeste, Julia Henrikson, Debbie Law, Mari Ross-Russel, Sofia Moletteri, Elijah Summers

Call to Order: A. Edelstein called the meeting to order at 2:07 PM

Approval of Agenda: A. Edelstein presented the November 2021 Finance Committee agenda for approval. **Motion:** K. Carter motioned to approve, M. Cappuccilli seconded to approve the November 2021. Motion passed: 2 in favor. 1 abstained.

Approval of Minutes (October 7, 2021): A. Edelstein presented the previous meeting's minutes for approval. **Motion:** D. Gana motioned to approve the minutes, K. Carter seconded to approve the October 2021 meeting minutes. Motion passed: 2 in favor and 1 abstained.

Report of Co-Chairs:

No Report.

Report of Staff:

M. Ross Russell stated there was no report.

Discussion Items:

--Second Quarter Spending Report--

A. McCann-Woods began the Second Quarter Spending Report by stating that the reconciliation of total invoices forwarded to AACO for processing through August 31, 2021 indicated seventeen percent (17%/\$1,993,673) in underspending of the total overall award (including MAI funds). She noted that hospitals and the two fiduciary entities (PHMC and UAC) inherently had cumbersome fiscal processes which resulted in delays submitting invoices and budgets.

For Philadelphia County, the underspending in the Medical Case Management (MCM) current balance was \$600,812 due to vacancies and late invoicing. In the Drug Reimbursement service category, there was \$241,881 underspent due to decreased utilization--A. McCann-Woods stated that she marked "still under review" because she was awaiting information about what was contributing to the underspending. For Oral Health Care there was \$33,037 underspent due to late invoicing as well as sluggish underspending in operating expenses and/or supplies. In the Substance Abuse category there was \$125,230 underspent, primarily due to vacancies.

A. McCann-Woods reported that EFA-Pharma had \$84,052 in underspending; it was still under review at the time of the report. However, she noted that there was under-utilization due to consumers' ability to access SPBP quicker which lessened the need to access this service. All underspending would be or already had been reallocated to other services. Additionally, the EFA-Housing budget was underspent by \$253,203 due to under-utilization caused by other safety net programs being leveraged. However, spending had since increased, which would be reflected in the Third Quarter Spending Report. Food Bank was underspent by \$70,931, likely due to leveraging other funding sources for the same service category--though it did not signify a diminished need for food services. The Housing Assistance budget was underspent by \$84,052 due to under-utilization caused by other safety net programs being leveraged. However, spending had since increased and would be reflected in the Third Quarter Spending Report.

A. McCann-Woods reported that in Philadelphia County, EFA was overspent by \$18,640, solely due to higher utilization. A. Edelstein asked, regarding EFA, if the pattern continued would AACO reallocate dollars from other categories where there was underspending. A. McCann-Woods answered that the typical practice was to reallocate; however, the spending could level out. It did not mean the overspending would continue, but if it continued to follow this pattern it would be reviewed and addressed ahead of the Third Quarter Spending Report.

A. McCann-Woods reported that for the PA Counties there was \$68,984 underspent in the Substance Abuse service category due to vacancies, late invoicing, and leveraging other funding sources for the same service category. Additionally, Food Bank had \$15,731 underspending likely due to leveraging other funding sources. M. Cappuccilli asked what other funding sources they typically tapped into for the Food Bank. A. Edelstein responded that Pennsylvania had a program which provided counties with dollars to spend on food purchases, so some of that money might have been available to people. A. McCann-Woods followed up that the COVID-19 pandemic played a role in money being driven to food programs with increased access to food banks and soup kitchens as well as the pandemic EBT program that was given out to families with children. Therefore, that may have contributed to the underspending in this category. She continued that this did not indicate diminished need and AACO could still possibly see an increase in spending for this category in the third and fourth quarters.

A. McCann-Woods reported in the PA Counties that there was \$80,791 overspent in the Outpatient/Ambulatory Medical Care category due to higher utilization or more spending in operating expenses. For example, medical supply purchases or multiple pay periods in a particular quarter could increase expenses. She reported that from her estimation it should level out. A. Edelstein added that if employees were on a bi-weekly pay schedule there

would be 2 months out of the year with 3 pay periods, which was probably what caused this category to be overspent. A. McCann-Woods stated that there was \$17,586 overspent in the Mental Health category that was still under review at the time of the report. She reported that the Oral Health Category was overspent by \$22,919 like due to spending in operating expenses on the front end of the contract period and that this would level out. A. McCann-Woods reported that EFA was overspent by \$5,091 which was due to higher utilization.

A. McCann-Woods reported that in the PA counties there was \$2,884 overspent for Housing Assistance and \$62,019 overspent for Medical Transportation, both due to higher utilization. She stipulated that the increase in Medical Transportation could be because more people were utilizing Ryan White services than they had in the past. M. Ross-Russell asked if it was possible that some of the organizations in the counties were providing transportation. She continued that historically there had been instances where various Medical Case Managers or ASOs provided transportation to people. A. McCann-Woods agreed that it could be a possibility and that MCMs were being reimbursed through mileage reimbursement. She would look into this. K. Carter added that it could be a good idea to see how many organizations in the PA countries had their own vehicles and if the medical transportation costs had to do with paying drivers as well. A. Edelstein added that drivers could be part-time employees. A. McCann-Woods agreed and stated that there were not many Medical Transportation awards, so from her knowledge, a few drivers might be using agencies' vehicles or offering mileage reimbursement to drivers using their own vehicles.

M. Cappuccilli asked if it would be possible to put the total grant amount into the PowerPoint presentation for each service category for HIPC's clarity. A. McCann-Woods answered that total numbers were on the spreadsheet they would look at later in the meeting. A. Edelstein suggested that the percentage that each service category was awarded per region be listed in the PowerPoint so the committee/Full Council could track expenses for the year-end report.

A. McCann-Woods reported that in the New Jersey Counties there was \$57,234 underspent in the Outpatient/Ambulatory Medical Care category likely due to late invoicing and delayed spending on operating expenses. A. McCann-Woods continued that there was \$31,789 underspent in the Medical Case Management category likely due to vacancies and late invoicing. In the Food Bank category there was \$7,168 underspent due to late invoicing.

A. McCann-Woods reported that the Medical Transportation Services Category was overspent by \$71,164 likely due to higher utilization. K. Carter asked if there was a way to get more information since overspending was high, and A. McCann-Woods stated that she would look into this. A. Edelstein added that the New Jersey and PA Counties' budgets were smaller than Philadelphia County, so the overspent amount in the Medical Case Management category, for example, would be a larger percentage of the total award. A. McCann-Woods reported the overall total award for this category was \$163,809. A. Edelstein responded that if the budget amount was \$163,809 for the year, that would be roughly 80,000 for each quarter, and it was already \$71,164 overspent. This was approaching the budgeted amount for the year and it was only the second quarter, so AACO would have to look to reallocate money from other service categories. K. Carter added that since some COVID-19 restrictions had been lifted, people were meeting in-person with their MCMs. A. McCann-Woods agreed that there were several factors that

could be the reason for the steep increase in spending and ultimately agreed with A. Edelstein that a reallocation of funds might be necessary systemwide, not just in New Jersey Counties.

A. McCann-Woods reported that for Systemwide Allocations, there was underspending throughout the following categories: \$127,846 in the I&R category, \$47,568 in Capacity Building, \$40,833 in Planning Council Support, and \$114,745 in Grantee Administration. These were all due to vacancies. She added that cumbersome hiring practices at the Recipient-level resulted in underspending as well. Moreover, all underspending had been or would be reallocated to direct service categories.

A. McCann-Woods reported overspending in Systemwide Allocations, specifically Quality Management Activities at \$89,821--it was still under review from AACO. Lastly, in MAI Systemwide Allocations, there was underspending at the amount of \$16,776 in Quality Management Activities due to vacancies. She ended the presentation by stating categories that were "Still Under Review" and that she hoped to have answers by the next meeting.

A. McCann-Woods reported that the Second Quarter Spending Report spreadsheet represented the total spending in the EMA, which was at the time of reporting underspent by \$1,993,673 or 17% for the year so far. In Philadelphia, the PowerPoint only addressed overspending and underspending above 10%. A. Edelstein asked about the lack of spending in Drug Reimbursement services. A. McCann-Woods responded that SPBP affected both Drug Reimbursement and EFA-Pharma because people were able to access SPBP very quickly now which shifted spending. K. Carter asked if they would reallocate dollars from Drug Reimbursement services to EFA-Pharma to offset overspending. A. McCann-Woods answered no, because the SPBP program affected both EFA-Pharma and Drug Reimbursement, and putting more money to the former would not help because AACO had already reallocated dollars.

A. McCann-Woods reiterated the overspending and underspending of the categories previously mentioned in her presentation for the PA Counties and opened the floor to questions from the Finance Committee. A. Edelstein stated that questions moving forward might center around where reallocations needed to happen, that is to say, which services would benefit from a reallocation and how removing money might negatively affect other services. A. McCann-Woods stated that with most reallocations in the system, AACO tried to put them in categories that had high utilization.

A. McCann-Woods reported on the spreadsheet for the Ryan White Second Quarter Spending Report from New Jersey Counties. A. Edelstein stated that transportation might be a point of concern, and A. McCann-Woods made a note of it. M. Cappuccilli asked if the multiple sources for Food Bank services in Philadelphia was a similar occurrence in New Jersey Counties as well. A. McCann-Woods responded that generally, the comparison of New Jersey against Philadelphia in terms of access to food were very different. She again stated that this was an incomplete look at the spending for the year because it only accounted for 6 months and there was still late invoicing for which to account. The COVID-19 pandemic also skewed a lot of data. For example, people who may not have had food stamps previously were now qualified during the pandemic and had more access points to get fresh food and nonperishables.

A. McCann-Woods reported on the spreadsheet for the Systemwide Ryan White Second Quarter Spending Report. A. Edelstein clarified that the categories were all underspent with the exception of EFA and Transportation. He followed up by asking if the QM Activities were heavily overspent due to frontloaded costs that would diminish at the end of the year. A. McCann-Woods answered that this was possible. M. Cappuccilli asked if there was crossover of QM Activities between MAI and the Systemwide programs? A. McCann-Woods answered no. M. Ross-Russell added that from a funding perspective, QM could take up to 5% of the total award before any allocation to service dollars and that it was the same for Systemwide which was less than 5%.

A. McCann-Woods stated she would make adjustments to the Third Quarter Spending Report and add percentages for easier comprehension. She would also fix minor errors or information still under review from AACO.

--Monitoring the Administrative Mechanism--

M. Ross-Russell stated that the only change to the form was the procurement process section to include language and additional components to ensure the process was fair and inclusive. Additionally, the Finance Committee requested information regarding the number of providers who were funded. The language in the first part was changed to, "in the case of an RFP the Planning Council receives a presentation from the Recipient around the components of the RFP." The issue, she stated, was that while the Planning Council could receive information related to the RFP itself, information cannot be provided such that it would offer members who worked for providers receiving Part A dollars an unfair advantage over other providers.

M. Ross-Russell reported on the final change which read as follows: "The HIPC should be provided with an overview of the results of the RFP process from the recipient (AACO) This overview should include the number of responses to the RFP, the number of providers awarded and geographic location of the awards." A. Edelstein asked how quickly contracts had to be executed after the completion of the RFP process. M. Ross-Russell answered that she was unsure but that award letters were supposed to go out to providers within 90 days of receipt of the final notice of grant award. A. Edelstein asked if there was a requirement of when the Recipient had to report to the Finance Committee after allocations were made. M. Ross-Russell said there was no set timeframe and asked whether or not the committee wanted dates included. A. Edelstein stated that after they had completed the review and the committee was in agreement with the form, then they would look to confirm the process.

A. Edelstein stated that as for the contracting process, award letters needed to be disseminated within 90 days of Notice of Grant Award. Rapid distribution of funds was directly related to the award letters so providers could know their award amount. This came up during the HRSA Site Visit. Providers had not received their award letters this past year within 90 days. Part of the issue was due to the delayed award letter and notification of award when it came out, causing an almost 6-week delay in allocations. A. Edelstein asked about the requirements around informing HIPC of Notice of Grant Award, M. Ross-Russell answered that historically, OHP was notified when the award letter was received from HRSA. OHP then informed the Finance Committee of the Notice of Grant Award in order to begin the creation of budgets as part of the final allocation process.

A. Edelstein stated that “implementation” of the process could potentially refer to the Finance Committee receiving the presentation from AACO with the Finance Committee offering notes. M. Cappuccilli asked what kind of decision the Finance Committee could make. A. Edelstein responded that the committee would hold the Recipient responsible for all the items listed on the form. If the Recipient completed activities in compliance with expectations, then the Finance Committee could present that information to the full Planning Council. M. Cappuccilli asked M. Ross-Russell if she received any clarity from HRSA around review of this form. M. Ross-Russell answered that review of the form was ultimately at the discretion of the Planning Council as well as policies and process descriptions. The Finance Committee was charged with the responsibility of Monitoring the Administrative Mechanism as part of the by-laws and policies for the Planning Council.

M. Ross-Russell continued using A. Edelstein’s example, explaining that the presentation on the RFP was provided to the full Planning Council by the recipient. If it should be done for both, meaning the Finance Committee to review and discuss and then the full Planning Council, this should be written down. During the Site Visit, HRSA’s main issue was that HIPC did not have a written process for Monitoring the Administrative Mechanism. Others mentioned within the Site Visit included the need to monitor the timeliness of award letters within the 90-day timeframe. This was not always happening, and OHP received quarterly reports but was unaware of the timeframes for award letters. This responsibility to monitor timeliness of award letters fell under the purview of the Finance Committee as part of the Monitoring the Administrative Mechanism process. M. Ross-Russell stated that during the Site Visit, HRSA felt that the full Planning Council should be more involved during the procurement process. However, there was a line the Planning Council should not cross with respect to the RFP due to conflict of interest and an unfair advantage to the 2/3 provider council.

A. Edelstein stated that a timetable would be helpful and it could act as a requirement for AACO to report to the Finance Committee. M. Cappuccilli asked if A. Edelstein envisioned an update on the form being done at the time of the quarterly reports. A. Edelstein stated that each item would have different timetables since they occurred at different times throughout the fiscal year. If certain activities fell within a certain timeframe, they could become a part of the quarterly reports. M. Ross-Russell stated that OHP could work with AACO to create a timeline. The overall objective was that, at the end of the year, the Finance Committee could go back and make sure the various items associated with the form had been completed or addressed in some way.

M. Ross-Russell explained that the need for an RFP process was usually decided by the Recipient or the Planning Council. For example, the Planning Council could choose to fund a category that had been historically unfunded, thus creating a scenario where there needed to be an RFP.

M. Ross-Russell next explained the allocations process, stating that every year HIPC had to wait until HRSA shared how much money the EMA received. The reason for completing a level budget, 5% increase, and 5% decrease budget in advance was to enable the Planning Council to make allocation decisions quickly. After the Notice of Grant Award, HIPC could choose one of their budget scenarios depending on the final award amount and give that information to the Recipient to disseminate award letters. It then became AACO’s responsibility to give that money to services and providers. A. McCann-Woods agreed and

said that the last RFP was for Medical Case Management. A. Edelstein added that the form was not exclusively about RFPs; it was also about getting money out quickly to providers which was a type of monitoring the Finance Committee has already been doing. This form acted as a more formal review of processes.

M. Cappuccilli asked, from an AACO perspective, if the Notice of Grant Award went to all providers at the same time. M. Ross-Russell clarified that the Notice of Grant Award came from the federal government to AACO. AACO in turn provided this information to the HIPC who then made their final allocation decisions based on the award. Then, award letters would come from the Recipient (AACO) and be given to sub-recipients/providers. M. Cappuccilli asked, once a sub-recipient was awarded, if they implemented services at the same time. A. McCann-Woods answered yes, noting that ideally, providers received notification before the contract period began so that services could start on time. M. Ross-Russell stated that when HIPC had discussions about continuing resolutions under a partial award, it was because the federal government had not yet distributed the full award. In this case, the Planning Council would adopt a level-funding budget scenario until they received the full amount. In summation, it was a domino effect where AACO, the HIPC and OHP were dependent on the federal government who was dependent on Congress passing the federal budget.

M. Ross-Russell stated that if AACO received the Notice of Grant Award from HRSA on March 1st--that meant that within 90 days from March 1st, all of the sub-recipients within the Ryan White Part A system should have received an award letter telling them the dollar amount they received. A. Edelstein stated that the Recipient could not do anything until the Planning Council made a decision. After that, it was AACO's responsibility to complete the award process.

K. Carter asked if it was the responsibility of the entire Planning Council to know all of the details/information or if it was just the Finance Committee. A. Edelstein responded that it should be an open process and open to the entire Planning Council; the idea was that the Finance Committee would be the first level of review for the Planning Council. M. Ross-Russell said she would create a timetable that would go along with the form. A. Edelstein agreed that there had to be some form of timeline for implementation, so they could make a decision today regarding the form, and create expectations at the next meeting. M. Ross-Russell stated that when the form had been completed it could go to the Executive Committee for final approval. A. Edelstein asked if the Finance Committee was in agreement to accept the form as it had been amended and allow for finalization within the Executive Committee. Everyone agreed to this process.

Other Business:

None.

Announcements:

None.

Adjournment:

A. Edelstein asked for a motion to adjourn the meeting. **Motion:** K. Carter motioned to, M. Cappuccilli seconded to adjourn the November 2021 Finance Committee meeting. **Motion passed:** Meeting adjourned at 3:48 p.m.

Respectfully Submitted:

Elijah Sumners, staff

Additional Materials:

- OHP Second Quarter Spending Report
- Recipient FY 2021-2022 Second Quarter Spending Report
- October 2021 Meeting Agenda
- September 2021 Meeting Minutes