

Philadelphia HIV Integrated Planning Council

Finance Committee

Meeting Minutes of

Thursday, May 6, 2021

2:00-4:00 p.m.

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

Present: Michael Cappuccilli, Keith Carter, Alan Edelstein, David Gana

Guests: Chris Chu (AACO), Ameenah McCann-Woods (AACO)

Staff: Debbie Law, Julia Henrikson, Mari Ross-Russell, Sofia Moletteri

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

Approval of Agenda: A. Edelstein presented the May 2021 Finance Committee agenda for approval. M. Ross-Russell amended the agenda to change 4Q Report Action Item to a Presentation Item.

Motion: M. Cappuccilli motioned, D. Gana seconded to approve the amended May 2021 agenda.

Motion passed: 75% in favor, 25% abstaining. The amended May 2021 agenda was approved.

Approval of Minutes: A. Edelstein presented the March 4, 2021 Finance Committee minutes for approval.

Motion: K. Carter motioned, M. Cappuccilli seconded to approve the March 2021 minutes.

Motion passed: 75% in favor, 25% abstaining. The March 2021 meeting minutes were approved.

Report of Co-Chair:

No report.

Report of Staff:

M. Ross-Russell reported that the discussion items listed were related to the recent Site Visit from HRSA. The outcome of the Site Visit, she explained, prompted the discussion so they could review Finance Committee's next steps to address two matters for which HIPC was cited. The discussion items would also be addressed within Executive Committee. Since they related to Finance Committee's responsibilities, they would address them in during this committee meeting as well.

Action Item:

—Final Award Allocation—

M. Ross-Russell explained that there was a 1.645% (\$287,288) increase to the overall budget for services under Ryan White (RW) Part A. Overall, there was a total award change of \$340,565. MAI decreased by \$81,344. She would start off the discussion by going through each of the regions. Divided up among the EMA, this amounts to a small increase for each. Due to the small increase, she calculated the change for both a 5% increase scenario and a level funding budget scenario.

A. Edelstein asked for more details on the level funding budget scenario. M. Ross-Russell explained that Philadelphia had a decrease in funding amount under the new level funding budget, so the

increase in award offset the decrease due to the decline in Philadelphia's share of the epidemic. This scenario was the same for the PA counties with the exception of a small decrease of \$1100. NJ, she reported had an increase of about \$100,000.

A. Edelstein asked how much a 5% increase would have been for NJ. M. Ross-Russell reported that this was about \$112,000. K. Carter asked to go through each of the regions individually. A. Edelstein noted that he asked about the 5% increase amount for NJ to gauge whether the increase amount was closer to 5%+ or level. If it was closer to the 5% increase, he asked if it was possible to approve the level funding budget for Philadelphia and PA Counties and the 5% increase budget for NJ counties. M. Ross-Russell said this was possible.

M. Ross-Russell reviewed the spreadsheet for Philadelphia. For the level funding budget scenario, Philadelphia chose to take 30% (\$96,471) from EFA-Pharma to offset the original reduction which would have been \$21,990. As previously stated, this reduction was due to the decrease in Philadelphia's share of the epidemic. Because the reduction was essentially canceled out, the 30% was taken out of EFA-Pharma and added to the \$227,905 within EFA-Housing along with the increase of \$188,231. With the new additions, there would be \$506,406 in EFA-Housing and all other service categories remained the same. M. Ross-Russell explained that the 5% increase budget was essentially the same as the level funding budget scenario. Within the level funding budget scenario, they chose to reduce EFA-Pharma by 30% and move this to EFA-Housing. The reduction from share in epidemic still occurred and the remaining \$74,481 from EFA-Pharma was added to EFA-Housing.

K. Carter noted the underspending in housing services this past year. If they wanted to increase the award amount for another service, he considered removing the money from EFA-Housing. M. Ross-Russell explained that there were many shifts in housing due to COVID-19 money. From the HIPC COVID-19 survey, they found that individuals were commenting on their need for housing, even though many did not apply for the COVID-19 Shallow Rent Program. A. Edelstein asked about the rationale behind the increase in EFA-Housing money and if this was related to the CPC Housing Proposal. M. Ross-Russell responded affirmatively.

M. Ross-Russell reminded the group that the funding for the new award began March 1, 2021 and would go through February 2022. At this point, the council did not yet know how the landscape would change, and they had the option of reallocation requests throughout the fiscal year (FY). A. Edelstein asked about underspending for housing services. M. Ross-Russell said that there was underspending within housing services for Ryan White Part A, but she did not know if it was directly related to COVID-19 housing money.

A. McCann-Woods asked if they were discussing underspending for housing during the current or last FY. K. Carter said he was discussing housing as of Quarter 2 of the previous FY. A. McCann-Woods assumed that there was underspending, but she was not sure. M. Cappuccilli suggested a presentation on the EFA-Housing service category. M. Ross-Russell added that there were a lot of moving pieces around housing, specifically regarding the COVID-19 money. The belief, she said, was that because of the moratorium, individuals may not have been accessing housing resources as much. K. Carter reminded everyone that RW was a payer of last resort, so people would turn to other funding streams before RW. He was unaware of additional funding streams created in response to the COVID-19 pandemic. M. Ross-Russell agreed, saying that they might want to look into the specifics of COVID-19 funding and circumstances to make changes accordingly. K. Carter and M. Cappuccilli suggested they wait to change any funding to services, as circumstances might change.

M. Ross-Russell returned to the Philadelphia allocations spreadsheet. She looked at the 5% increase scenario (page 2) which essentially identical to the level funding scenario spreadsheet. The primary difference, she highlighted, was that the level funding scenario started from the old level funding budget while the 5% increase budget started from the new level funding budget (wherein funding was already decreased based on share of the epidemic). Results, she noted, were fairly identical, and all of the service categories remained the same. The same amount of money was still moved from EFA-Pharma to EFA-Housing, increasing it to \$506,406 once again. M. Ross-Russell reminded everyone that the new level funding budget was from decisions made last year, and K. Carter acknowledged that this budget was represented within the first column.

A. Edelstein asked about the current budget they were operating under. M. Ross-Russell explained that this was the level funding budget they all approved during last year's allocation process. She explained that when there was continuation funding and they were only operating with a partial budget, they automatically approved the level funding budget from the July 2020 allocations meeting. A. Edelstein clarified that the budgets they were using included the reduction for PA Counties and Philadelphia for decreased share of the epidemic and the increase in NJ Counties for rise in share of the epidemic. M. Ross-Russell said yes. A. Edelstein then said, that with their 1.645% increase in budget would be additional dollars, since they were starting from the new level and did not need to increase or decrease funds again based on share of the epidemic. He asked if they were using July 2020 numbers for share of the epidemic. M. Ross-Russell said explained that they were using the percentages from 2018, since this was the most recent data available.

A. Edelstein explained that the committee had additional dollars to restore what was decreased to PA Counties and Philadelphia while NJ Counties received extra dollars. A. Edelstein added that the additional \$100,000 for NJ Counties was not an insignificant amount. K. Carter said that split among the four counties, it may not be that much of an increase. A. Edelstein asked if the committee was leaning towards the level funding budget for Philadelphia. He asked if the dollars would be spread proportionately among the service categories. M. Ross-Russell said she implemented the level funding budget based on the changes and keeping in mind the increases.

M. Ross-Russell next reviewed the PA Counties level funding budget spreadsheet (page 3). The PA Counties decided on a proportional decrease of all services based on the new reduction in share of the epidemic. With the reduction from share of the epidemic and the 1.645% increase, the overall change in the award for the PA Counties was \$1,139 less. In other words, instead of losing approximately \$47,600 for decrease in share of epidemic, they only lost \$1,139 due to the 1.1645% increase. With this new amount, she performed a proportional decrease of \$1,139 between all funded service categories within the PA Counties.

M. Ross-Russell next reviewed the 5% increase budget (page 4) for PA Counties. The first column used the new level funding budget, decreasing the categories proportionally, meaning she was instructed to use the total award for PA Counties of \$2,725,019. The increase of 1.645%, which brought the total award up to \$2,771,469, was moved to EFA-Housing. The increase represented \$46,450. K. Carter asked that they kept this conversation to dollar amounts, because he felt it was easier to grasp.

A. Edelstein suggested that looking at the 5% increase budget was a moot point since they were essentially identical to the level funding budget scenarios. M. Ross-Russell agreed that the changes were miniscule, if any, but since they were technically receiving an increase, they needed to look at

the increase budget scenario as well. A. Edelstein said that the 5% increase would only make sense to implement in NJ Counties—not within the PA Counties and Philadelphia. Even then, he felt that NJ Counties could follow the level funding budget scenario. M. Ross-Russell said that within the NJ Counties, NJ Counties moved all of their increase into EFA housing in the new level funding budget. In that case, A. Edelstein said that all of the money would go to proportionate increases anyhow, so the level funding budget scenario for NJ would be most reasonable. A. Edelstein suggested they use the level funding budget. K. Carter agreed. M. Cappuccilli agreed, because it was essentially identical to the 5% increase scenario. However, recommending the level funding budget would be easiest to recommend to the Planning Council.

Motion: M. Cappuccilli motioned that HIPC vote to approve the use the level funding budget scenarios for Philadelphia, PA Counties, and NJ Counties as recommended by the Finance Committee, D. Gana seconded.

Vote:

A. Edelstein: abstain
D. Gana: in favor
M. Cappuccilli: in favor
K. Carter: in favor

Motion passed: 4 in favor, 1 abstention, 0 opposed.

A. Edelstein asked if they needed to approve directives, and M. Ross-Russell said no. They now needed to review and approve the MAI (Minority AIDS Initiative) and Systemwide budgets.

M. Ross-Russell reviewed the MAI spreadsheet (page 9). She explained that she used the 5% decrease scenario since there was about a 4.1% decrease. This prompted a proportional decrease to each category.

Motion: K. Carter motioned that HIPC vote to approve the use the a 5% decrease scenario for MAI as recommended by the Finance Committee, M. Cappuccilli seconded.

A. Edelstein: abstain
D. Gana: in favor
M. Cappuccilli: in favor
K. Carter: in favor

Motion passed: 4 in favor, 1 abstention, 0 opposed.

M. Ross-Russell next looked at Systemwide expenditures (page 10). She explained that these were proportional increases or decreases and did not change much. The following were proportionally increased: I&R (Information and Referral) and QM Activities (Quality Management Activities). The following were proportionally increased: Systemwide Coordination, Capacity Building, PC (Planning Council) Support Budget, Grantee Administration. The decrease for MAI was Grantee Administration and QM.

She explained that last year's Systemwide (formula and supplemental) budget was \$20,361,614, and this year's was \$20,702,179. The overall difference was an increase of \$340,565. In summary, A.

Edelstein said that the services that supported RW Part A funds were proportionately increased, while MAI was being decreased by the amount of the MAI decrease. M. Ross-Russell agreed, adding that all Systemwide costs came off the top, and then, they were left with the service dollars.

Motion: K. Carter motioned that HIPC vote to approve the Systemwide budget as recommended by the Finance Committee, M. Cappuccilli seconded.

A. Edelstein: abstain
D. Gana: in favor
M. Cappuccilli: in favor
K. Carter: in favor

Motion passed: 4 in favor, 1 abstention, 0 opposed.

Presentation:

—4Q Spending Report—

A. McCann-Woods explained that she would first go through the underspending spreadsheet representing the FY ending in February 28, 2021. The first column signified total spending while the red column represented underspent percentages. In total, RW was underspent at 6% or \$1,302,142. She next looked at Philadelphia county, explaining that there were several areas underspent over the 10% threshold. Substance Use Treatment (Outpatient) was underspent by \$84,086. Below the line, EFA-Pharma was underspent by \$94,256 and EFA-Housing by \$97,436. Food Bank and Housing Assistance were also underspent. She believed that Housing Assistance included Shallow Rent Program. Within the PA Counties there was underspending in Outpatient Ambulatory Care and Mental Health. Below the line, there was underspending in EFA, EFA-Pharma, and Transportation. Within the NJ Counties, there was overspending for Transportation above the 10% threshold.

A. McCann-Woods directed attention to the PowerPoint slides to show the reasons behind the underspending. She explained that reconciliation of total invoices forwarded to AACO for processing through February 28, 2021 indicated six 6% (\$1,302,142) underspending of the total overall award (including MAI funds). She informed the committee that hospitals and the two fiduciary entities (PHMC and UAC) inherently had cumbersome fiscal processes which resulted in delays submitting invoices and budgets. This was exacerbated by COVID-19 and remote work.

A. McCann-Woods reviewed Philadelphia underspending. Substance Use Treatment (Outpatient) was underspent by \$84,086 due to vacancies (hiring freezes at hospital/university settings), leveraging other funding sources, and sluggish invoicing due to COVID-19. EFA-Pharma was underspent by \$94,256 due to decreased utilization. She noted that underspent funds for EFA-Pharma had been reallocated. EFA-Housing was underspent by \$97,436 due to underutilization. She said that some of this was related to COVID-19 and that the recipient had expanded access to the service by way of eligibility. Moreover, additional COVID HOPWA funding had been meeting housing needs. Housing Assistance (Shallow Rent Program) was underspent by \$92,199 due to underutilization, some of which was related to COVID-19. Just like with EFA-Housing, she explained that the recipient expanded access to the service by way of eligibility. Food Bank was also underspent by \$58,273 due to leverage other funding sources and some underutilization due to COVID-19.

K. Carter asked if the underspending was for last year's budget and was pre-COVID-19. A. McCann-Woods responded that it depended on the service category. She explained that last FY, the underspending was about half this amount in total. Overall, there was much more overspending this past FY.

A. McCann-Woods reported no overspending above the 10% threshold for Philadelphia.

A. McCann-Woods review PA underspending. Outpatient/Ambulatory Health Services were underspent by \$80,847 due to leveraging other funding. EFA was underspent by \$11,713 due to underutilization since requests for assistance had slowed, most likely due to COVID-19. EFA-Pharma was underspent by \$75,321 due to underutilization, noting that the underspending had already been reallocated. Transportation was underspent by \$73,209 due to leveraging other funding sources and underutilization related to COVID-19.

M. Ross-Russell asked if, for Ambulatory Outpatient Care, it was possible that patients were using telehealth in place of in-person visits. She asked if this had been another reason for underspending. A. McCann-Woods said yes, and that it brought down overhead costs. In fact, she said in some cases, patients were doing better with adherence to medical care when using telehealth. Therefore, such results may impact future spending if people were given the option to use telehealth. K. Carter noted that in-person was important for Mental Health services. A. McCann-Woods agreed, adding that telehealth would not replace face-to-face care but would be an option.

A. Edelstein added that telehealth impacted Transportation since people did not have to use transportation for their appointments. A. McCann-Woods agreed. A. Edelstein asked if this was also the case for Case Management services. A. McCann-Woods said yes.

A. McCann-Woods reported that within the PA Counties, Mental Health Services were overspent by \$12,800 due to higher utilization.

K. Carter asked if there were more mental health providers in the PA Counties than Philadelphia. He acknowledged the shortage of mental health providers within the city. A. McCann-Woods said there were not more, and that they funded more Mental Health providers in Philadelphia than they did in the PA Counties. If they looked at the allocation for PA Counties, it was \$47,697. She explained that this was funding for just around one counselor. She added that in the past, they had discussions about the difficult onboarding process for Mental Health Services, including the difficulty around certifications. The same concerns from Philadelphia also existed within the PA Counties.

A. McCann-Woods reported no underspending above the 10% threshold in NJ.

A. McCann-Woods reported overspending in NJ for Transportation by \$78,333 due to higher utilization. K. Carter said this was surprising. A. McCann-Woods said she did not know how this money was spent, exactly, and it might have been on ride-shares or taxis as oppose to public transportation services.

A. McCann-Woods next reviewed the underspending for Systemwide Allocations. All of the following services were underspent due to vacancies: I&R by \$101,690, Grantee Administration by \$237,019, and Capacity Building by \$89,367. Regarding PC support underspending (underspent by \$80,302), this was due to vacancies and remote work bringing down overhead costs. Because AACO

had a hiring freeze and cumbersome hiring practices, all underspending had already been reallocated to direct services.

A. McCann-Woods reported underspending in MAI under QM Activities (underspent by \$12,857) due to vacancies. A. McCann-Woods asked if there were any questions. There were none. A. McCann-Woods said that there were a lot of moving parts due to COVID-19, but they did well in spite of it all.

Discussion:

—Planning Council Budget—

M. Ross-Russell reminded everyone that the next two discussion items were sparked by the HRSA Site Visit. Based on the feedback they received, they needed to review the PC support budget. The PC budget consisted of OHP staff, snacks, transportation reimbursements, etc. In the past, OHP had provided the budget to the Finance Committee as a list of line items and with personnel collapsed. Also listed was the final budget amount.

In the past, Finance Committee reviewed the budget and some participants voiced their discomfort with reviewing it. However, they would still need to review it, and, as previously stated, personnel would be collapsed. M. Ross-Russell asked that they form a plan around reviewing the budget and decide whether they would want to review it yearly, quarterly, or every 6 months. They could also discuss this further within the Executive Committee.

A. Edelstein said that within other organizations, some might review the line item budget every month with budget variants, etc. He asked if this was expected of Finance Committee. M. Ross-Russell said they could decide the extent of what they wanted to review. M. Ross-Russell said that HRSA said the Planning Council could review whatever they were concerned about within the budget. For example, they could look further into the budget to see if they could purchase tablets.

A. Edelstein asked about expectations and requirements. K. Carter suggested Finance Committee offer pushback and refuse to look at the PC support budget. A. Edelstein felt there would be difficulty fighting this. M. Ross-Russell said that they could review the budget to whatever degree they found appropriate and necessary.

A. Edelstein suggested reviewing a line item budget with collapsed personnel. M. Cappuccilli asked more about the pushback/discomfort with reviewing the budget in the past. M. Ross-Russell said some felt discomfort, likely because OHP was already fairly transparent with the Council. Some members considered it a “question of operation.” M. Cappuccilli mentioned that the issue with the tablets was not budget-related. Instead, it was an issue with administrative follow-up.

A. Edelstein asked if they could review the budget on a quarterly basis. M. Ross-Russell said this would be fine. A. McCann-Woods added that on the recipient level, HRSA also requested that AACO monitor the PC similar to how they monitored their subcontractors. She was unsure of what this would look like at the moment.

M. Ross-Russell said that reviewing the PC budget would be similar to the quarterly report for underspending. A. Edelstein agreed, noting that it would not be too complicated.

M. Ross-Russell said they did not have deliverables, units of service, or other measurable activities. She said that OHP was not necessarily a neat fit into what HRSA was looking for, so the recipient would have to do their best to monitor without clean-cut measurables.

A. Edelstein thought that a quarterly report with line items and collapsed personnel would be best. K. Carter agreed. M. Cappuccilli said it could accompany the quarterly underspending report from the recipient. A. Edelstein asked about next steps. M. Ross-Russell said she would respond to HRSA as part of the action steps, and she would report what the Finance Committee had decided to do moving forward.

—Monitoring Administrative Mechanism—

M. Ross-Russell reported that the other finding was that they did not have a formal report for monitoring the administrative mechanism. HRSA suggested an annual, formal report to show that the PC had monitored the administrative mechanism for rapid distribution of funds.

M. Ross-Russell explained that the report could consist of a check-off list which they could review, checking off and describing what they had done that past year. HRSA also mentioned HIPC's involvement in the RFP process. M. Ross-Russell mentioned that the recipient presented to the PC the last time the system was RFPed for Case Management. Reviewing the specifics of a RFP, however, would be problematic due to the fact that providers were present on the council and would receive advanced information.

M. Ross-Russell said that when they used the level funding scenario with a continuing resolution or partial award that was so the recipient could rapidly distribute funds. She said that they did three different types of budgets so when the final award would come up, they could use the plan and provide the allocation information to recipient so they could rapidly distribute funds.

M. Ross-Russell noted that they also explained to HRSA that approving the level funding budget for partial awards was so that the recipient could rapidly distribute funds. The creation of three different budget scenarios was also to assist with rapid distribution of funds. One of the reasons for the quarterly spending reports was to insure the funding was being spent in accordance with the allocation decisions which is another component of the monitoring process.

M. Ross-Russell said she could draft a checklist or form for Finance Committee to document their monitoring of the administrative mechanism for rapid distribution of funds. She would bring this to Finance Committee to review. She would take language directly from the Monitoring the Administrative Mechanism process. K. Carter asked if it was possible to create a small review board. A. Edelstein said this would be a task for Finance Committee. M. Ross-Russell agreed.

A. Edelstein asked the form to have an outline of activities so they could review what was and was not completed. M. Ross-Russell said she could do this. She said they could review this at the next Finance Committee meeting. A. Edelstein asked if the recipient would need to be involved in this, especially with the processes out of PC's scope. M. Ross-Russell agreed, noting that the form/checklist would be a draft. It would include language such as: "If there is an RFP, PC should receive a presentation of what is being proposed without seeing all of the contents of the RFP."

A. Edelstein said that they could add a column on the form which listed who was responsible for the aforementioned task. He asked if there were any other ideas or comments. M. Ross-Russell added that HRSA noted that the Finance Committee did not review whether or not funding being spent in accordance with allocations. A. Edelstein disagreed, saying that they reviewed this within the quarterly underspending reports. M. Ross-Russell said they might need to reformat the process. A. Edelstein said that the checklist would be sufficient.

For the June 2021 meeting, M. Ross-Russell said she would come up with an example for Monitoring the Administrative Mechanism for Finance Committee. She would also pull together and present the PC Budget.

Other Business:

None.

Announcements:

K. Carter announced that June 1, 2021—June 30, 2021 was AIDS Education Month.

Adjournment: A. Edelstein called for a motion to adjourn. **Motion:** K. Carter motioned, D. Gana seconded to adjourn the May 6, 2021 Finance Committee meeting. **Motion passed:** All in favor. Meeting adjourned at 3:55 p.m.

Respectfully submitted:

Sofia M. Moletteri, staff

Handouts distributed:

- May 2021 Finance Committee Meeting Packet
- March 2021 Finance Committee Meeting Minutes
- FY2021 Allocations Decisions & Directives
- FY2021-2022 Allocations Examples (Spreadsheets)