

**VIRTUAL: Finance Committee
Meeting Minutes of
Thursday, June 1st, 2023
2:00 p.m. – 4:00 p.m.**

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

Present: Keith Carter, Michael Cappuccilli, Alan Edelstein (Co-Chair), David Gana, 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 2:09 p.m.

Introductions: A. Edelstein asked everyone to introduce themselves.

Approval of Agenda:

A. Edelstein referred to the June 2023 Finance Committee agenda and asked for a motion to approve. S. Moletteri said the agenda was missing the approval of minutes. **Motion: D. Gana motioned; M. Cappuccilli seconded to approve the amended June Finance Committee agenda. Motion passed: 4 in favor, 1 abstaining.** The amended June Finance Committee 2023 agenda was approved.

Approval of Minutes (April 6, 2023 and April 19, 2023):

A. Edelstein referred to the April 2023 Finance Committee minutes. **Motion: K. Carter motioned; M. Cappuccilli seconded to approve the April 2023 meeting minutes. Motion passed: 4 in favor and 1 abstaining.** The April 6th, 2023 minutes were approved.

A. Edelstein referred to the Emergency April 2023 Finance Committee minutes. **Motion: K. Carter motioned; M. Cappuccilli seconded to approve the Emergency April 2023 meeting minutes. Motion passed: 5 in favor 1 abstaining.** The Emergency April 19th, 2023 Minutes were approved.

Report of Co-chairs:

None.

Report of Staff:

M. Ross-Russell stated they would have normally completed the monitoring of the administrative mechanism and filed a report by this point in time. She added they would have also reviewed expenditures to date for the planning support budget. Both activities were delayed because they had only just received the final award. She said they would review and complete the Monitoring the Administrative Mechanism process soon.

Regarding the budget year-to-date expenditures for planning support, M. Ross-Russell said DHH and she had issues with the accuracy of their fiscal agents invoicing. She said much of the invoicing had to be redone and the invoice report would remain incomplete until the issues were resolved. M. Ross-Russell said she was responsible for reviewing the invoicing and ensuring its accuracy. She promised to report on the expenditures to date in the near future.

K. Carter asked how far back she had to look back for expenditures. M. Ross-Russell said 6 months. One of the issues was that she had received the invoices too infrequently.

Presentation:

-Expenditure Report-

A. McCann-Woods introduced herself and thanked the Finance Committee for their patience while the Department of HIV Health (DHH) procured the spending report. She acknowledged that DHH was facing some challenges and noted that there were some errors in the report. For example, she said the report had said it was the 3rd quarter spending of November 30, 2022 instead of the final May 31, 2023 expenditure report in the document.

She reported that the underspending across all the eligible metropolitan areas (EMA) amounted to \$1,729,442 or 7% underspending. A. McCann-woods noted this was significant and they would review the underspending in each EMA during the presentation.

M. Cappuccilli confirmed with A. McCann-Woods they were reviewing the year-end report that ended on February 28th, 2023. A. McCann-Woods clarified that the final invoices did not conclude until the end of May.

A. McCann-Woods proceeded to review the expenditure report for Philadelphia County. She prefaced that they would be only reviewing overspending or underspending that was at or above 10%. The first category was the Drug Reimbursement Program which had an underspending of 29% or \$138,903. Mental Health Counseling was overspent by 7% or \$23,246. Substance Abuse Treatment - Outpatient was underspent by 33% or \$172,754 A. McCann-Woods explained the underspending in Substance Abuse Treatment - Outpatient was due to vacant positions. She noted that underspending in these categories was normal. She added that underspending in the Drug Reimbursement Program was caused more by underutilization.

Below the line within the excel sheet, she mentioned were the support services. A. McCann-Woods reported that the Emergency Financial Assistance (EFA) services underspent by 45% or \$21,404. EFA AIDS Pharmaceutical Assistance (EFA-Pharma) was overspent by 13% or \$29,103. A. McCann-Woods expressed surprise that there was overspending in this category since EFA-Pharma typically experiences underspending. She concluded that utilization in Philadelphia had increased. A. McCann-Woods moved onto the Transportation Services category where she reported that Transportation had underspending of 21% or \$2,455. She said the percentage of underspending was high for Transportation in Philadelphia but the allocation for these services was small. A. McCann-Woods attributed the underspending in Transportation services to underutilization but concluded the underspending did not indicate a lesser need for Transportation.

A. McCann-Woods asked if the committee had any comments or questions before she moved on to the next region's expenditure report. A. Edelstein asked why there was so much underspending in Transportation in Philadelphia. A. McCann-Woods replied that she could not give a clear answer. She believed the need for the service was relatively the same, but people were finding other alternatives to travel, such as carpooling or ride-sharing. A. Edelstein inquired about how COVID-19 and the return to normalization had affected utilization. A. McCann-Woods answered that there were more people making in-person medical appointments. She said telehealth was also becoming more prevalent and accessible. A. McCann-Woods said that while most people believed the pandemic was over, the changes and accommodations were here to stay for the time being. She explained that corporations and other organizations had invested much time and resources to provide telehealth. She believed alternative services were a driving factor for why there was underspending in transportation, but she said there could be other reasons.

A. Edelstein asked if utilization was impacted by a reluctance to use public transportation due to COVID-19. A. McCann-Woods said they were still receiving reports that people felt discomfort with using public transportation.

M. Ross-Russell asked why the local AIDS Pharmaceutical category was underspent while EFA-Pharma was overspent. She said she believed they were the same and wondered why they were listed separately. A. McCann-Woods replied that she could not answer the question currently. She noted that the spending report spreadsheet was still a draft and that they had only recently completed the report. If DHH were to revise the numbers on the spreadsheet, A. McCann-Woods promised that she would notify the committee.

K. Carter stated that they needed to have documented needs before allocating funds to services. A. McCann-Woods agreed that K. Carter's concerns were reasonable. She said that with trends of increasing in-person medical care and case management visits, it was likely transportation usage was going to increase as well.

A. McCann-Woods moved on to reviewing the expenditure report for the PA Counties. She reported that Outpatient Ambulatory Care was underspent by 22% or \$159,424. She attributed the underspending to vacant positions. She believed underspending could also be attributed to subrecipients being allowed to budget for labs for people who were uninsured. M. Cappuccilli asked if it could be a late invoicing issue. A. McCann-Woods replied that it could be possible but not probable because it was the end of the year. M. Ross-Russell asked if it was the result of increased telehealth usage. Furthermore, she asked if there was a difference between the cost of telehealth and in-person medical visits. A. McCann-Woods said she did not see an increase in expenses due to telehealth. Rather, she saw an increase in expenses due to fringe benefits such as insurance. K. Carter asked for more information on the cost structure of in-person medical visits versus telehealth appointments. A. McCann-Woods explained that telehealth required HIPAA-compliant platforms. This would comprise computer equipment, subscription-based software, and insurance to protect consumer privacy. She said these expenses might be covered by underspending elsewhere or be counted as a one-time expense. In addition, A.

McCann-Woods reported that there had been turnovers in medical providers. She said there had usually been underspending due to invoicing, but she had seen more turnover.

Moving forward, A. McCann-Woods informed the committee that there was underspending in the PA Counties for EFA-Pharma by 59% or \$104,677. She said they had opportunities to reallocate the spending but they still had this much underspending in this category. M. Cappuccilli asked for an explanation as to why there was so much underspending. A. McCann-Woods replied that there was significant underspending because the medical system had become more efficient. She explained that patients had to wait before certain processes were in place before they could pay for care. The EFA allowed them to pay for these services while they waited for the processes. Since the system was more efficient, the patients did not have to wait as long. M. Cappuccilli referred to K. Carter's point of allocating based on need. He said if they were paying for services year after year for something that was not needed, they should allocate the funding to services that more badly needed the funding.

A. McCann-Woods reported there was overspending on Transportation in the PA Counties. She said there was overspending by 23% or \$80,578. She said the higher cost was attributed to increased utilization and a greater number of clients who had medical needs that required door-to-door service, which was more expensive than SEPTA passes.

M. Ross-Russell reminded the committee that the emergency COVID-19 funding towards services was ending as the pandemic was no longer considered a national health emergency. She believed that this would have an impact on utilization. A. McCann-Woods acknowledged that they should keep that in mind.

Moving on to the expenditure report for the New Jersey Counties, A. McCann-Woods reported that there was underspending in Case Management of 11% or \$46,897. She confirmed this was due to position vacancies, with many case managers seeking better-paying positions as they gained experience. She said that many case managers were entry-level and moved on when they gained experience. K. Carter sympathized with the case managers and asked if there was a way to incentivize case managers to stay longer. A. McCann-Woods replied that it was something they couldn't change and shared her own experience as a case manager, explaining that low pay and limited solutions for clients often led to burnout. She noted that the trend in the profession would only change if values changed on a national level. A. Edelstein, a former executive director of an agency, shared that he had often struggled to pay his employees higher wages with the resources he had in his budget.

In the category of EFA-Housing in New Jersey, there was an underspending of 76% or \$81,317. M. Cappuccilli questioned the reasons for such underspending. A. McCann-Woods answered by referring back to M. Ross-Russell's previous comment that people may be using other programs for housing assistance. She also speculated a possible relationship between the recent housing voucher event in Philadelphia and the underspending in NJ EFA-Housing. She mentioned discovering rental assistance programs and expressed surprise that so many were created after the COVID-19 pandemic. She said that these were educated assumptions and that she did not have an answer for why utilization was not as high in NJ.

Moving to the Transportation service category, A. McCann-Woods reported that Transportation services were underspent by 50% or \$82,180. She explained there was a shift in how services were carried out such as door-to-door services. M. Cappuccilli asked if they were allocating too much funding to this service. A. McCann-Woods asked M. Ross-Russell for more information to answer this question. M. Ross-Russell said this was unusual because the New Jersey Counties were overspending for transportation in their budget. M. Ross. Russell recalled New Jersey's budget after the first quarter of the last contract was depleted. M. Ross-Russell said they had moved funding from carryover funds to support New Jersey's budget. She believed the underspending was the funds given to New Jersey in the previous year. A. McCann-Woods stated she would need to investigate this issue further. M. Cappuccilli noted the discrepancy, pointing out that New Jersey's Food Bank Services were previously underspent, but now it seemed that they had depleted their funding.

A. McCann-Woods then discussed systemwide expenditures. She explained that vacancies and high turnover were the general reasons for underspending in categories such as Quality Management Activities and Capacity Building. She also mentioned that the Planning Council support had underspending due to reduced use of office supplies and space. A. McCann-Woods asked M. Ross-Russell if there were other reasons for underspending, and M. Ross-Russell mentioned that there had been vacancies in two positions during the last year. The first person left in March 2022, and the second person left in July 2022. These positions were not filled until December 2022.

Discussion Items:

-Review of Allocation Spreadsheets Examples and Materials-

A. Edelstein asked if the discussion was for the allocations meeting in the next funding cycle. M. Ross-Russell confirmed that was the case and that they would be having the allocations meetings in July. M. Ross-Russell referred to the 2022 Allocations Service Categories Booklet. M. Ross-Russell said it provided information from last year. She said she was still waiting to receive information on the final expenditures, clients served, and units provided. She said she was also waiting for the Ryan White Part B information for New Jersey and the PA counties. She said once they received the information, they would update the booklet.

M. Ross-Russell said the 2022 Consumer Survey results were analyzed and they would update the booklet with the information soon. She said they would then need to find out the grantee considerations for each of the services.

Moving on, M. Ross-Russell proceeded to the information about unmet needs. This information was collected through interviews by the Medical Monitoring Project (MMP). She said she would check the MMP information again and update the booklet as needed.

M. Ross-Russell said the booklet as a whole would be providing information on the services funded as well as services that were fundable. She mentioned it would include the funding clarification notice and definitions for each of the services. She also said she would be checking the Medicaid information to see if there was an update for the state of New Jersey and

Pennsylvania. She said there would be delays because the information was just being collected. She said the information would be used in next month's allocation meeting.

S. Moletteri asked the committee to turn their attention to the Consumer Survey 2022 results which could be found attached to the June Finance Committee meeting packet. She mentioned the Consumer Survey 2022 data was collected using SurveyMonkey and mailed-in surveys.

M. Ross-Russell went to the table of contents. She clarified that the categories highlighted in blue represented the core services and the services highlighted in yellow were the support services. Respondents to the survey were asked about whether they had used or heard of the services funded. The options included never personally needed, personally needed and received, personally needed and did not receive, and never heard of the service. S. Moletteri said the survey used to offer two options. She said they had expanded the options to four for the last round of the survey and highlighted the top three answers in each category.

S. Moletteri then reviewed the Ryan White funding charts. She said the EMA funding percentages had included Information and Referral since that was considered a service. She said these were the charts that were updated so far.

M. Cappuccilli expressed frustration that there were still questions that they had about how the expenditure report. He said they were receiving the final quarter report but were still unable to understand why some services were underspent and why other services were overspent. He asked if they would receive more clarification on the spending as the allocation meetings drew near. M. Ross-Russell agreed with M. Cappuccilli and said they had previously answered these types of questions in the recipient considerations section of the report. She said they would investigate the questions about funding. She assured the committee that they would investigate the questions about funding and provide as much information as possible to help the committee and HIPC make their decisions. M. Ross-Russell acknowledged M. Cappuccilli's concerns about how the funding was spent regionally and said she would go back to the Consumer Survey to analyze the services by region and answer some of the questions posed. In addition, she said they were also concerned about the number of people who had never heard of a service. She said if a person had never heard of a service, they would not use it. M. Cappuccilli said that was impacted by the lack of case management where they could lead people towards the services they needed. He said case management was a weak point in their chain of information. A. Williams asked if they could provide their case managers with a living wage. M. Cappuccilli referred to A. McCann-Wood's comment saying that it was a countrywide issue that was not easily solved.

A. McCann-Wood referred to M. Cappuccilli's concerns about the ambiguity of how the funds were spent regionally. She said gathering the information for the committee was difficult because she had to contact her co-workers about the different types of anomalies in the data when they appeared. She mentioned that she would address the most common questions about underspending and overspending in her presentation next week. She also explained that funding was very complicated, involving the city's funding, state rebates, and other sources. She mentioned that if there was underspending due to vacancies, the city would attempt to recapture the funding and reallocate it where needed. However, she noted that operating expenses and bills were more difficult to recapture since the funding amount used was not fixed per month. She also

mentioned that there might have been missed opportunities, such as services not using the allotted funds. She assured the committee that the Philadelphia Health Department was transparent with the available information.

K. Carter asked if the service providers had reached out to A. McCann-Woods regarding anomalies in the spending. A. McCann-Woods replied that they did not. She also mentioned that the year had started out late with an abundant amount of late invoicing, making it difficult to foresee any anomalies in the spending. M. Cappuccilli commented on the complexity of unraveling the services for anomalies and expressed his appreciation for the work involved. A. McCann-Woods mentioned that they had 9 analysts overseeing the spending but acknowledged that they were understaffed.

M. Ross-Russell asked the committee to look at the systemwide allocations on the 2023/2024 EMA draft allocations document. She explained that they were reviewing the systemwide allocations first because they had to settle them before determining the spending for other services. She mentioned that they would be using the 2021 prevalence data and applying a level funding budget, without any regional shifts in funding. She also mentioned that Information and Referral services would be included as one of the service categories in the systemwide and administration. Quality Management was another category, and it could encompass up to 5% of the budget. She then discussed Systemwide Coordination, Capacity Building, Planning Council Support, and Grantee Administration, mentioning that these services could not exceed 10% of the budget.

M. Ross-Russell said the service allocations for the year totaled \$17,995,563 for a level funding budget, \$18,853,341 for the 5% increase budget, and \$17,057,780 for the 5% decrease budget. She mentioned that she would need to contact DHH to verify if the allocation for Information and Referral services, as well as Quality Management services, were allocated correctly according to the city's requirements.

M. Ross-Russell said she created spreadsheets for each of the three categories, marked by the colors orange, blue, or black. She explained that the level funding budget for Philadelphia was based on the 2021 prevalence data, and the numbers did not change, marked as black.

Next, M. Ross-Russell reviewed the 5% increase budget for Philadelphia, noting that the difference between the 2022-2023 level funding and the 2024-2025 funding cycle was an increase of \$600,822.

M. Cappuccilli asked if they would have the allocations meeting scheduled for next week's meetings. M. Ross-Russell said she would need to meet with A. Williams and A. Edelstein to finalize a date.

M. Ross-Russell reviewed the 5% decrease budget plan for Philadelphia, indicating a decrease of \$600,822. She assured the committee that any minor differences in funding for services between the two plans were due to rounding.

Then M. Ross-Russell revealed the level funding budget for the PA counties, highlighted in black. She reminded the committee that these were draft numbers subject to change. She proceeded to the 5% increase budget for the PA counties, highlighted in blue, which represented an increase of \$179,156. She also discussed the 5% decrease budget for the PA counties, noting the \$179,156 decrease in funding. She emphasized the need to investigate what had happened to the funding regarding New Jersey.

M. Ross-Russell moved on to reviewing the budgets for the New Jersey Counties. She briefly mentioned the level funding budget, which had no change. Then she discussed the 5% increase budget, representing an increase of \$117,800. She reviewed the 5% decrease budget for the New Jersey counties, indicating a decrease of \$117,801 in funding. She reminded the committee of the need to investigate the funding situation in New Jersey.

M. Ross-Russell said the next three spreadsheets would show the budgets for the entire EMA combined. She reviewed the level funding budget, the 5% increase budget with an increase of \$897,778, and the 5% decrease budget resulting in a decrease of \$897,777.

Next, M. Ross-Russell proceeded to review the Minority AIDS Initiative (MAI) budget. She mentioned including all the budgets on a single spreadsheet. The MAI budget included \$1,676,119 in funding, the 5% increase budget of \$1,759,926, and the 5% decrease budget of \$1,592,314.

M. Cappuccilli inquired if they should expect changes to the allocations process compared to previous years. M. Ross-Russell replied that she did not expect any changes and encouraged newer members to reach out to experienced members of HIPC or the Office of HIV Planning (OHP) staff for clarification. She acknowledged the complexity of the allocations process and aimed to keep the members well-informed. She mentioned plans to transition the meetings to a hybrid format between virtual and physical and said she would update the committee as soon as possible.

Other Business:

None.

Announcements:

None.

Adjournment:

A. Edelstein called for a motion to adjourn. **Motion:** K. Carter motioned to adjourn the June 2023 Finance Committee meeting. **Motion passed:** All in favor. Meeting adjourned at 3:33 p.m.

Respectfully submitted,

Kevin Trinh, staff

Handouts distributed at the meeting:

- April 2023 Finance Committee Meeting Minutes (PDF)
- April 2023 Emergency Finance Committee Meeting Minutes (PDF)
- RW Part Funding Charts 2023 (PDF)
- Consumer Survey Results 2022 (PDF)