

West Volusia Hospital Authority  
WVHA BOARD OF COMMISSIONERS BUDGET  
WORKSHOP

July 15, 2021, 4:00 P.M.

DeLand Police Department Community Room  
219 W. Howry Avenue  
DeLand, FL

**AGENDA**

1. Call to Order
2. Approval of Proposed Agenda
3. Citizens Comments
4. Discussion Items
  - A. Millage Rate – presentation attached
  - B. WVHA 2021-2022 Budget Forecast
  - C. EBMS/Veracity Budget Projections 2021-2022  
(email dated 7/7/2021 attached)
  - D. The House Next Door (THND) 2021-2022  
Enrollment Forecast (email dated 7/7/2021  
attached)
  - E. Funding Applications and amounts requested
5. Adjournment

**West Volusia Hospital Authority  
Initial Budget 2021-2022**

	Budget 2020-2021	Anticipated 2020-2021	Initial Budget 2021-2022
<b>Initial Millage Rate</b>			<b>1.4073</b>
<b>Revenue</b>			
Ad Valorem Taxes	16,431,158	17,040,000	17,040,000
Investment Income	135,000	45,000	45,000
Use of Reserves	2,000,000	0	1,707,048
<b>Total Revenue</b>	<b>18,566,158</b>	<b>17,085,000</b>	<b>18,792,048</b>
<b>Healthcare Expenditures</b>			
Hospitals	3,000,000	1,575,000	3,000,000
Advent Physicians-Empros	0	0	1,000,000
Primary Care	4,000,000	4,000,000	2,500,000
Pharmacy	0	0	900,000
Specialty Care and Lab Testing	3,300,000	3,130,000	3,000,000
County Medicaid Reimbursement	2,512,229	2,512,000	2,850,000
The House Next Door	100,000	23,000	100,000
The Neighborhood Center	100,000	95,000	100,000
Rising Against All Odds	164,985	164,985	116,925
Community Legal Services	95,958	52,000	100,756
Hispanic Health Initiatives	75,000	0	75,000
Florida Dept of Health Dental Svcs	225,000	176,500	150,000
Stewart Marchman - Baker Act	300,000	300,000	300,000
Stewart Marchman - Treatment	550,000	510,000	550,000
Stewart Marchman - Homeless	95,880	42,000	78,336
Health Start Coalition - Outreach	73,500	63,000	81,560
Health Start Coalition - Family Services	68,859	42,750	76,331
TNC Healthcare Navigation Program	50,000	50,000	50,000
New Hope Human Services Homeless Certification	0	0	50,000
HSCFV Community Health Nurse	0	0	112,348
H C R A -In County	400,000	150,000	400,000
H C R A -Out of County	419,162	10,000	400,000
Other Healthcare Costs	849,920	85,000	500,000
<b>Total Healthcare Expenditures</b>	<b>16,380,493</b>	<b>12,981,235</b>	<b>16,491,256</b>
<b>Other Expenditures</b>			
Advertising	7,000	4,750	7,000
Annual Independent Audit	16,700	16,700	17,000
Building & Office Costs	15,533	15,000	16,000
General Accounting	68,100	54,000	68,100
General Administrative	65,100	60,000	65,100
Legal Counsel	70,000	69,000	70,000
City of DeLand Tax Increment District	100,000	90,200	90,000
Tax Collector & Appraiser Fee	610,000	610,000	630,000
TPA Services	540,000	618,000	620,000
Healthy Communities	75,397	70,000	72,202
Application Screening - THND	402,835	355,000	417,590
Application Screening - RAO	40,000	34,000	52,800
Workers Compensation Claims	25,000	0	25,000
Other Operating Expenditures	150,000	11,000	150,000
<b>Total Other Expenditures</b>	<b>2,185,665</b>	<b>2,007,650</b>	<b>2,300,792</b>
<b>Total Expenditures</b>	<b>18,566,158</b>	<b>14,988,885</b>	<b>18,792,048</b>
<b>Excess (Deficit)</b>	<b>0</b>	<b>2,096,115</b>	<b>0</b>

## Eileen Long

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**From:** Andrew G. Murray <amurray@ebms.com>  
**Sent:** Wednesday, July 07, 2021 12:40 PM  
**To:** Eileen Long  
**Cc:** Darik J. Croft; James Vertino; Pepper Schafer; Gail Hallmon  
**Subject:** WVHA Health Card program budgeting for 2021/22

Eileen and WVHA team,

Per your request, we have developed the below budget recommendations for the upcoming 2021/22 Health Card program year. Assuming the Board wishes to continue providing "bridge funding" for members participating in Rx PAPs (pharmaceutical patient assistance programs) as is currently the practice, we recommend allocating \$10.4M for healthcare services as is detailed in the highlighted section below. This would represent a financial saving of approx. \$1.3M from the level budgeted for the 2019/20 program year prior to introducing the new WVHA miCare Clinic centric model.

A more detailed discussion follows below.

### HIGH-LEVEL BUDGET RECOMMENDATION

*Proposed budget in \$000 (Oct 21 through Sep 22)*

COMMENTS

#### **HEALTH CARE COSTS**

	Base Case	(without PAP)	
Hospital Services	4,000	4,000	Based on April 2021 meeting proposal (\$3M Hosp + \$1M ER funding)
Primary Care	2,500	2,500	See below
Pharmacy Services	900	600	See below
Specialists	3,000	3,000	
	<b>10,400</b>	<b>10,100</b>	

#### **ADMINISTRATIVE COSTS**

Building Maintenance	100	100	Based on typical maintenance expenditure since Jan 2021
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#### **BUDGETING DETAILS**

Clinic Administration fees	900	900	Assume ave. 1,800 members census
Clinic Operating expenses	1,600	1,600	Based on anticipated Q3 2021 run rate
	<b>2,500</b>	<b>2,500</b>	

Pharmacy program costs	900	600	Base Case include \$300k annual 'bridge funding' for PAP program
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### DISCUSSION

#### **Hospital Budget**

- During the April 2021 meeting, the Board accepted EBMS' recommendation to increase the hospital budget for the 2021/22 program year by \$1.0M for a total of \$4.0M. Of this up to 25% (or \$1M) would be reimbursable for Emergency Services in the new program year.

#### **Specialist Budget**

- The current specialist expenditure trend suggests that we'll likely achieve our stretch target of \$3.0M (vs. the current year budgeted amount of \$3.3M). We therefore recommend allocating \$3.0M to the specialist budget for the 2021/22 program year.

### **Primary Care Budget**

The Primary Care budget consists of monthly admin fees plus pass-through operational expenses:

- We recommend budgeting \$900k for monthly admin fees (Clinic Administration & Population Health Management fees) – this assumes an average monthly census of approx. 1,800 Health Card members throughout the 2021/22 program year. Note that the total annual admin fees will be capped at \$950k even if membership rises as long as total membership remains below 2,500.
- We anticipate the need for approx. \$1.6M in “run-and-manage” type operating expenditure (excluding any building maintenance costs as discussed below). This is in line with the inflation-adjusted level of the original pro-forma proposal presented to WVHA early in 2020.

### **Pharmacy Budget**

- The pharmacy budget includes the ingredient cost of medication dispensed plus a per script dispensing fee.
- We anticipate the need for approx. \$600k in budget to cover these costs for dispensing basic medications (mostly from our generic formulary) through our pharmacy program.
- Additionally, our current process of providing “bridge funding” for medications accessible through the Rx PAPs will require an additional approx. \$300k in annual funding.
- As a reminder, such “bridge funding” allows for a member to start receiving the Rx PAP eligible medication immediately, even before their application is approved by the pharmaceutical manufacturer’s charity program (so during the period when the patient completes their application and while the pharmaceutical company evaluates the application). Our experience over the past 6 months suggest that such medications cost approx. \$600/month and that applications typically take 8 – 12 weeks to be approved, resulting in a cost of \$1,500 -- \$2,000 per patient that is currently covered by the WVHA Health Card program.
- Against this backdrop we recommend allocating \$900k to the Pharmacy budget as the Base Case that assumes continuation of the current Rx PAP “bridge funding” practice. However, we also need to highlight the option of discontinuing the current Rx PAP “bridge funding” practice that may decrease total Rx costs by approx. \$300k . This would practically mean that, for all new applications, we’d only start dispensing these medications once the application has been approved by the pharmaceutical manufacturer’s charity program.

### **Building Maintenance**

- The WVHA owns the building that hosts the DeLand WVHA miCare Clinic . As landlord the WVHA is responsible for routine building maintenance, including HVAC systems, structural repairs and exterior pest control.
- With much of the initial maintenance and repairs now completed, we recommend budgeting \$100k in annual maintenance expenses.

I trust these recommendations will be helpful as the Board considers their strategy and approach towards funding services for the Health Card program for the new program year commencing on October 1<sup>st</sup> 2021.

Best regards,

Andrew Murray

**Dr. Andrew G. Murray**

## Eileen Long

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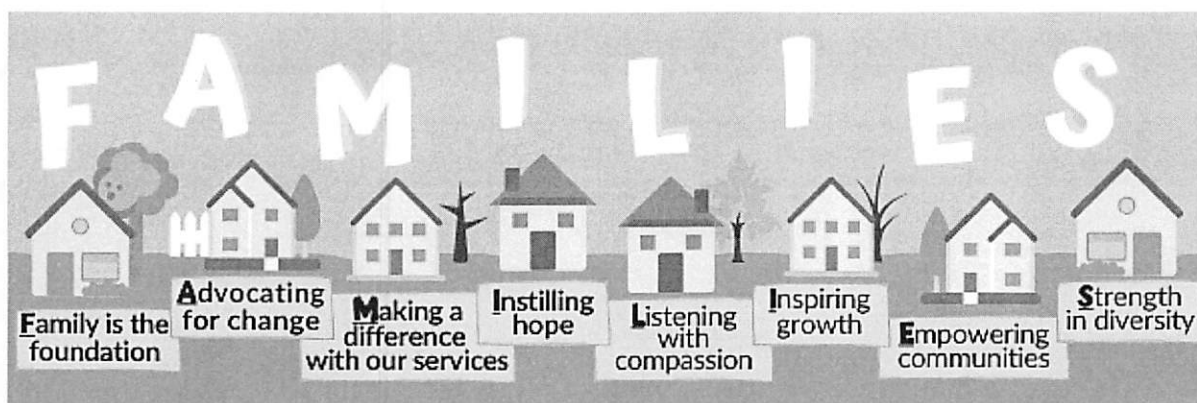
**From:** Gail Hallmon <ghallmon@thehnd.com>  
**Sent:** Wednesday, July 07, 2021 4:14 PM  
**To:** Eileen Long  
**Subject:** Re: THND monthly report to Board AND Enrollment Forecast 2021-2022

Sorry Eileen. I talked with Dr. Murray and we were both in agreement with the pre-COVID numbers being the projection. I thought he had given it to you.

The long term average pre-COVID seemed to be around 1700. I'd be very surprised if the post COVID census is lower so I'd suggest an 1800 average census for 2021/2022 as we work through the renewals/eligibility Re-verification.

Gail Hallmon  
Chief Operating Officer  
The House Next Door  
804 N. Woodland Blvd.  
DeLand, FL 32720

phone: 386.734.6691 Ext. 1108  
fax: 386.734.0252



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**From:** Eileen Long <elong@drtcpa.com>  
**Sent:** Wednesday, July 7, 2021 2:05 PM  
**To:** Gail Hallmon <ghallmon@thehnd.com>  
**Cc:** elong@westvolusiahospitalauthority.org <elong@westvolusiahospitalauthority.org>  
**Subject:** THND monthly report to Board AND Enrollment Forecast 2021-2022

Hi Gail,

2021-2022 Funding Applications received by date and time

Agency name-CAC Review	Date		Amount		
	Received	Time	Requested	Last Year	Difference +/-
The Neighborhood Center Healthcare Navigation Program	3/17/2021	10:15 AM	50,000.00	50,000.00	0.00
The Neighborhood Center Outreach Program	3/17/2021	10:15 AM	100,000.00	100,000.00	0.00
Healthy Start Coalition of Flagler & Volusia (HSCFV) Family Services Coordinator	3/30/2021	4:41 PM	76,331.00	68,859.00	7,472.00
HSCFV WIS/NOS	3/30/2021	4:41 PM	81,560.00	73,500.00	8,060.00
The House Next Door (THND) Therapeutic Services	3/31/2021	9:14 AM	100,000.00	110,000.00	-10,000.00
Rising Against All Odds HIV/Aids/Outreach	4/1/2021	9:31 AM	116,925.00	164,985.00	-48,060.00
SMA Residential Beds	4/1/2021	2:34 PM	550,000.00	550,000.00	0.00
SMA Baker Act	4/1/2021	2:34 PM	300,000.00	300,000.00	0.00
SMA Homeless Services	4/1/2021	2:34 PM	78,336.00	95,880.00	-17,544.00
Community Legal Services of Mid-Florida (CLSMF) MLP Services	4/1/2021	3:23 PM	100,756.00	95,958.00	4,798.00
Hispanic Health Initiative Outreach	4/1/2021	3:23 PM	75,000.00	95,000.00	-20,000.00
Florida Department of Health (FDOH) Dental Services	4/2/2021	11:21 AM	150,000.00	225,000.00	-75,000.00
Sub-Total			1,778,908.00	1,929,182.00	-150,274.00

New Agency Applicants	Date		Amount		
	Received	Time	Requested	Last Year	Difference +/-
New Hope Human Services Homeless Certification	4/1/2021	3:25 PM	50,000.00	0.00	50,000.00
HSCFV Community Health Nursing Services	4/1/2021	4:40 PM	112,348.00	0.00	112,348.00
Sub-Total			162,348.00	0.00	162,348.00

Administrative Applications-Board of Commissioner Review	Date		Amount		
	Received	Time	Requested	Last Year	Difference +/-
Halifax Healthy Communities	3/28/2021	11:30 AM	72,202.52	75,396.89	-3,194.37
THND HealthCard Program	3/31/2021	9:14 AM	417,590.00	402,835.00	14,755.00
RAAO Prescreening	4/1/2021	9:31:00 AM	52,800.00	40,000.00	12,800.00
Sub-Total			125,002.52	518,231.89	24,360.63

Combined Totals			2,066,258.52	2,447,413.89	36,434.63	2,417,414.00	1,505,103.00	755,694.00
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THROUGH June 30, 2021

FYE		
APPROVED	YTD Actual	
2021 Budget	2021	Difference +/-
50,000.00	36,505.00	13,495.00
100,000.00	65,750.00	34,250.00
68,859.00	28,532.00	40,327.00
73,500.00	48,628.00	24,872.00
100,000.00	15,875.00	84,125.00
164,985.00	164,985.00	0.00
550,000.00	337,146.00	212,854.00
300,000.00	296,021.00	3,979.00
95,880.00	26,808.00	69,072.00
95,958.00	35,921.00	60,037.00
75,000.00	0.00	75,000.00
225,000.00	116,465.00	108,535.00
1,899,182.00	1,172,636.00	726,546.00

THROUGH June 30, 2021

FYE 2021		
Budget	YTD Actual	
2021		Difference +/-
75,397.00	46,249.00	29,148.00
402,835.00	261,642.00	141,193.00
40,000.00	24,576.00	15,424.00
518,232.00	332,467.00	29,148.00