

**ROSWELL PARK CANCER INSTITUTE CORPORATION
FINANCE COMMITTEE
OF THE
BOARD OF DIRECTORS**

A meeting of the Finance Committee of the Board of Directors of Roswell Park Cancer Institute Corporation was held on Wednesday, December 6, 2023 at 8:30 a.m. in the Scott Bieler Clinical Science Center, 9th Floor, Patrick P. Lee Board Room.

Present: R. Buford Sears, Committee Chairman (*via Teams*)
Candace S. Johnson, Ph.D., President & CEO
Elyse NeMoyer (*via Teams*)
Garnell Whitfield (*via Teams*)
Lee Wortham

Excused: Leecia Eve, Esq., Board Chair

Present by

Invitation: Ronald Andro, Chief Clinical Operations Officer
Meghan Dobson, Esq., Associate General Counsel
Betsy Doty-Lampson, Board Administrator
Julia Faller, M.D., Chief Medical Officer
Thomas Furlani, Ph.D., Chief Information Officer
Ryan Grady, Chief Financial Officer
Kathryn Hineman, Esq., Vice President & General Counsel
James C. Kennedy, Vice President, Government & Community Relations
Todd Maier, Vice President, Finance and Payor Relations (*via Teams*)
Crystal Rodriguez-Dabney, Esq., Senior Vice President, Diversity, Equity & Inclusion (*via Teams*)
Michael B. Sexton, Esq., Senior Vice President, Chief Legal Officer & Corporate Secretary
Andrew Storer, Ph.D., Senior Vice President & Chief Nursing Officer (*via Teams*)

I. Opening/Minutes

Mr. Sears opened the meeting at 8:32 a.m. by welcoming all attendees. He then turned to a review of the Minutes from the September 13, 2023 Finance Committee meeting. With no commentary/questions offered, *a motion was made by Mr. Wortham to approve those Minutes, seconded by Dr. Johnson, and unanimously carried.*

II. Contracts/Capital Expenditure Projects

a. Workday Renewal

Dr. Furlani presented on a \$10.72 million expenditure request to renew the current Workday contract for an additional 6-year term. He acknowledged that the current Workday costs will increase with this renewal but cited to the additional functionalities and 5% annual user growth

accounted for in this renewal. Mr. Wortham and Mr. Grady then discussed the cost of the 5% annual user growth provided for in the renewal, and whether it aligned with Roswell Park's actual annual user growth rate. Mr. Grady noted that Roswell Park's annual employee growth rate is typically 5% but will be lower this year. He also advised that Workday is charging a nominal price to accommodate user growth and is primarily seeking to account for recent inflation with this price increase. Dr. Furlani commented that Mr. Grady has heavily negotiated the renewal cost. There being no further discussion, *a motion to approve an expenditure of up to \$10.72 million to renew the Workday contract for six (6) years was made by Mr. Wortham, seconded by Mr. Whitfield, and unanimously approved.* After the motion passed, Ms. NeMoyer joined the meeting and advised that she approved of this expenditure.

III. Post Implementation Reviews (Virtual Desktop Interface, Wireless Refresh, Microsoft Renewal, Mobile CT)

Mr. Sears then turned to the post-implementation reviews included in the meeting materials, advising that Mr. Andro and Dr. Furlani were available to address any questions. He commended leadership for adopting this review process and expressed his gratitude to Mr. Szeffel for championing this process during his tenure. There were no questions or concerns on the post-implementation reviews.

Upon a motion made by Dr. Johnson, seconded by Ms. NeMoyer and unanimously approved, the Committee moved to Executive Session for purposes of a Government Relations Update, a Payor Relations Update, and a Finance Update.

IV. Government Relations Update

[REDACTED] This score will be announced publicly after NCI officially affirms it during an upcoming council meeting. Dr. Johnson then provided a brief personnel update. She announced Dr. Julia Faller's appointment as Chief Medical Officer, and Buddy Hickman's appointment as Chief Digital Technology Officer. She also advised that she has removed Dr. Thomas Schwaab from his Senior Vice President role but is seeking to retain him in a different capacity.

Mr. Kennedy then provided a government relations update, beginning with New York State ("NYS"). He advised that NYS requested that state agencies submit flat budget requests for fiscal year '24 - '25 due to a \$4.3 billion projected state budget gap. In response, Roswell Park submitted a flat budget ask of \$106.7 million (\$55.4 million in operating funds and \$53.1 million in capital funds) and a one-time funding request for a mobile Breast Cancer and Prostate Cancer unit. He concluded his NYS update by reviewing the status of several bills currently with Governor Hochul for signature and which if signed, would impact Roswell Park. These bills included the Grieving Families Act and a bill barring employer's from including non-compete clauses in employment agreements.

Mr. Kennedy then provided a federal governmental relationships update. He reported that two of WNY's Congressional delegates will be leaving office, advising on how this impacts Roswell Park's governmental affairs. He also highlighted a November 17th press conference in Washington D.C. during which Dr. Reid, amongst others, urged Congress to pass a lung screening bill.

Mr. Kennedy and Dr. Reid then provided a year-end review of Roswell Park's Mobile Lung Cancer Screening Unit, known as "EDDY", reporting on the number of scans performed, as well as identifying the underserved and at-risk populations screened, by EDDY. Dr. Reid also highlighted the actionable results of these scans, including a Stage 1 lung cancer diagnosis, and outlined the Phase 2 plans for EDDY.

V. Revenue Cycle Implementation Update

Mr. Grady provided an update on the Revenue Cycle Implementation Project (the "Project"), noting that Roswell Park is 11 months into Phase 3 (Implementation). End-to-end system testing will begin in January 2024. Significant efforts are underway to address the Project's change management component as several hundred workforce members will use this system (e.g., schedulers, coders, etc.). The Project is currently in "yellow" status and will likely remain that way until completion. The Project is also currently under budget by 8% to 9%, with the budget including an 11% contingency to cover unforeseen expenses. After Mr. Grady concluded his presentation, Mr. Wortham inquired how Mr. Grady will account for the Project's savings in the FY'24 budget. Mr. Grady advised that he anticipates accounting for these savings in the FY'25 budget. A discussion then ensued about the Project's current staffing resources.

VI. Managed Care Update

[REDACTED]

VII. Finance Update & 2nd Quarter Combined Financial Performance

Mr. Grady then provided a finance update, beginning with a review of the 2nd Quarter Combined Financial Statements.

[REDACTED]

Mr. Grady then previewed the improved financial performance in October 2023, highlighting the increases in the inpatient census, ambulatory volumes, and new-to-center patient volumes. Mr. Grady noted that surgical volumes are tracking consistently and again addressed those clinical services with volumes below plan.

Mr. Grady then reviewed data that tracked the monthly inpatient census by service, demonstrating how the inpatient census is negatively impacted when the Transplant & Cellular Therapy and Hematology services perform below plan. Mr. Grady acknowledged that Roswell Park is off plan by \$18 million through the first 7 months of FY'24 but emphasized October's improved

financial performance. There was then a brief discussion on how Mr. Grady accounts in the budget for procedures shifting, or expected to shift, to ambulatory procedures.

Mr. Grady then briefly previewed November's financial performance, which was an improvement from prior months. He highlighted recent increases in transplant volumes in October and November, which he attributed to the appointments of Dr. Davila and Dr. Brian Betts.

[REDACTED] several Committee members provided commentary on this plan. Mr. Wortham inquired if the clinical departments are receptive to increased monitoring. Dr. Johnson advised that the department chairs are working closely with her and have stepped up their efforts. Mr. Sears advised that he hoped new Committee members have a sense of how important a robust BMT program is to Roswell Park achieving its financial goals. Mr. Wortham inquired about the project management component of this plan. Mr. Grady explained the current project management structure in place. Mr. Grady also advised on a staff reduction of 34 FTEs, detailing the actual, unbudgeted savings.

VIII. FY'25 Preliminary Budget Submission to New York Authorities Budget Office

Mr. Grady then reviewed the FY'25 Preliminary Budget Submission to the New York Public Authorities Budget Office. There was a discussion as to whether to include a contemplated debt issuance in the budget submission. As it is not at all certain as to whether or when it will take place, it was decided to exclude it.

Upon a motion made by Dr. Johnson, seconded by Mr. Sears and unanimously approved, the Committee returned to Open Session.

Upon returning to Open Session, Mr. Buford called for a motion to approve the FY'24 2nd Quarter Combined Financial Statements that the Committee reviewed during Executive Session. He commented that one high level takeaway is that leadership should be mindful of drafting a budget that is "too aspirational". He asked leadership to consider this takeaway when preparing the FY'25 budget. *There being no further commentary, Mr. Wortham made a motion to approve the FY'24 2nd Quarter Combined Financial Statements, which was seconded by Ms. NeMoyer and unanimously approved.*

Mr. Grady then called for a motion to approve the FY'25 Preliminary Budget Submission to the New York Authorities Budget Office. Mr. Sears commented that there was a robust discussion on this mandatory report during Executive Session. *There being no further commentary, a motion to approve the FY'25 Preliminary Budget Submission to the New York Authorities Budget Office was made by Mr. Wortham, seconded by Mr. Sears, and unanimously approved.*

IX. 2nd Quarter Investment Activity

Mr. Maier presented on the key financial indicators and the 2nd quarter investment activity. He reviewed recent Fed activity, highlighting its alignment with Roswell Park's investment performance. He advised that Roswell Park will consider extending the duration of its treasuries

given an expectation that the Fed will lower rates in 2024. He also reviewed Roswell Park's realized investment income earnings against the Federal Funds Rate, highlighting that Roswell Park's investment income grew from \$1 million to \$4.3 million during the 2nd quarter.

Mr. Maier then presented on several recommended revisions to Roswell Park's current Investment Policy, including revisions that would permit: (1) investments in commercial paper with a A-1/P-1 rating; and (2) investment in equities. Mr. Maier explained that the current policy is guided by NYS law, but Mr. Kennedy is already advocating for these revisions with NYS.


There was then a brief discussion on Roswell Park's money market funds. Mr. Wortham requested that Mr. Grady report back on the underlying funding sources of these funds. The discussion then turned to the proposed revisions to the Investment Policy. Mr. Sears expressed his support for these revisions, noting that a A-1/P-1 rating is the "gold standard" for short-term investments.

Mr. Maier then concluded his review, highlighting that Wilmington Trust is considering extending the current durations of Roswell Park's treasuries given indications that the Fed will lower rates soon. After Mr. Sears praised Wilmington Trust's services, there was no further discussion. *A motion was then made by Mr. Wortham to approve the 2nd Quarter Investment Activity Report, which was seconded by Dr. Johnson and unanimously approved.*

X. Provider Reimbursement Issue

Mr. Sexton advised that there was a provider reimbursement issue to discuss with the Committee involving Roswell Park's satellite locations.

Upon a motion made by Dr. Johnson, seconded by Mr. Wortham and unanimously approved, the Committee moved to Executive Session to discuss a Provider Reimbursement Issue.



Upon a motion made by Dr. Johnson, seconded by Mr. Sears and unanimously approved, the Committee returned to Open Session.

XI. Adjournment

Upon return to Open Session, there was no further business to discuss. *A motion to adjourn*

the meeting was made by Mr. Wortham, seconded by Ms. NeMoyer, and unanimously approved.

Michael B. Sexton, Secretary