



**SJCC BOARD OF DIRECTORS ATTENDANCE RECORD 2019**

2019 Meeting Dates

Member Name	Joined Board	Term	1/29/19	2/26/19	3/26/19	4/30/19	5/28/19	6/25/19	7/30/19	8/27/19	9/24/19	10/29/19	11/26/19	12/31/19
Baskett, Mike	2018		P	P	P	P	P	P						
Cortez, Ismael	2011		AU	AU	P	AE	AE	AU						
Maldonado, Alvin	2011		AE	AE	P	AE	AE	AE						
Medina, Esgardo	2018		P	P	P	P	P	P						
Mills, Mary	2010		P	AU	AE	AE	P	P						
Place, Rod	2010		P	P	AE	P	P	P						
Sandoval, Luz Maria	2013		P	P	P	P	P	P						
Seng, Bradley (non-Voting Member)	2019		P	P	AE	P	P	P						
Shelton, Beth	2012		P	P	P	P	P	Resigned 6/19/19						
Yonemoto, Alicia	2014		P	P	P	P	P	P						

CODE P = Present

Code AE = Absence Excused

CODE AU = Absence Unexcused



**Finance Committee**  
**July 30, 2019, 4:00 p.m.**  
**SJGH, Conference Room 1**

**Agenda**

- |       |  |   |
|-------|--|---|
| I.    | 4:00 – Call to order   | Rod Place, Chair  |
| II.   | 4:02 – Approval of Minutes from 6/25/19                                      | Rod Place, Chair  |
| III.  | 4:05 – Introductions   | Rod Place, Chair  |
| IV.   | 4:10 – Old Business  | Art Feagles, Interim FQHC CFO                                     |
|       | a. Follow up on issues from prior meetings                                   |   |
|       | i. Aging format  |   |
|       | ii. Processing of Cr Balances  |   |
|       | iii. Processing of RAs   |   |
|       | iv. Explanation of May Allowances  |   |
| V.    | 4:20 – Discussion of Financial Statement<br>Presentation and Annual Calendar | Brian Watkins, FQHC Finance Director                              |
| VI.   | 4:30 – Accounts Receivables Status   | Mary Esteban / Lynn Kelly   |
| VII.  | 4:45 – Update on Reboot Initiatives  | Dr. Farhan Fadoo, ACS CEO<br>Brian Watkins, FQHC Finance Director |
| VIII. | 4:55 – Other   |   |
| IX.   | 5:00 – Adjournment   | Rod Place, Chair  |

Next Meeting: August 27, 2019 at 4:00 p.m.

Note: If you need disability-related modification or accommodation to participate in this meeting, please contact Ambulatory Care Services at (209) 468-6757 or (209) 468-6372 at least 48 hours prior to the start of the meeting. Government Code Section 54954.2(a). Materials related to an item on this agenda submitted to the Community Board after distribution of the agenda packet are available for public inspection by contacting Ambulatory Care Services at 500 W. Hospital Road, French Camp, CA during normal business hours.



**San Joaquin County Clinics (SJCC) Finance Committee  
Minutes of June 25, 2019 Meeting**

**San Joaquin General Hospital (SJGH)  
Conference Room 1A&B  
French Camp, CA**

Present

Rod Place (SJCC Chair); Luz Maria Sandoval (SJCC Treasurer); Bradley Seng; Art Feagles (SJCC Interim CFO, WIPFLI, LLP); David Culberson (SJGH CEO); Greg Diederich (HCS Director); Dr. Farhan Fadoo (SJCC Executive, Director); Erin Franklin (Director Clinical Informatics); John Hardman (FQHC Accountant III); Lynn Kelly (Deputy Director Patient Financial Services); Isela Kloeppel (Director Operations Excellence); Mark Smith (SJGH Director of Finance); Mary Esteban (Patient Financial Services Consultant); Monica Nino (SJ County Administrator); Alice Souligne (Clinic Services Coordinator); Adèle Gribble (ACS Office Tech Coordinator)

I. Call to Order

The meeting was called to order by Mr. Rod Place at 4:07 p.m.

II. Introductions

There were no guests or new attendees to introduce.

III. May 2019 Financial Statements (Art Feagles)

Mr. Art Feagles started his presentation off by asking if anyone had any questions or comments on the documents distributed. The May 2019 and Year to Date Financial Statement Comments are attached to his report and all information is available in this report. Some additional information has come to Art as to why we have an unusual month in terms of the Net Revenue; attributable to the fact we have an adjustment in the contractual allowances that have been taken previously in the year. He has details but has not studied it so does not know which payers were out of line.

He expects the allowances barring some other historical transactions, will return more to the 50% range. He will note the corrections summarized last month and finally posted at the location level and back into the original transaction month resulted in a distribution of the payer charges in essentially the same categories and the amounts as last month. You want to be aware of the trend and note that if those percentages change from month to month as it is not likely there would be a dramatic shift in payer categories unless you knew why in advance. It could be a lot of things such as changing the charge master, taking on new populations, making new contracts for Advantage Medicare, which would change those ratios but they would have to be dramatic.

Monica Nino asked for clarification of the statement in the Financial Statement Comments as follows: *"The monthly average for the allowances has been over -\$1 million..."* To her this means on average this has been over \$1 million but now we are showing \$166,000.

Art stated the trended report lays it out visually. You can see what is happening month to month. In July the original contractual allowances were \$312,163, is the wrong way. He is not sure what happened in that month, it is extremely atypical. As the months progress you see it is well over \$1 million and the percentage of contractual gross charges got as high as 67%. That number then dropped and in May it went in the other direction back to \$366,813. That is not probably realistic but the reason for that is because they adjusted the prior months. He has said consistently it should be around 50% because he knows what the charge master is, what the average value of a ticket is and he knows what the allowance amounts from our payers are (predictable because we are paid a flat rate for every encounter for both Medicare and Medi-Cal).

# Finance Committee Minutes of May 28, 2019

## Consolidated Income Statement - Trended FY 2018 - 2019

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Total
<b>ACTUAL</b>												
Visits	8,993	10,172	8,350	10,602	8,788	7,988	10,529	9,252	10,106	10,847	10,689	106,316
FTEs - Non physician	-	94.5	97.3	99.1	95.4	100.4	102.9	103.2	104.5	112.9	112.9	-
FTEs - Physician	-	23.3	22.7	30.9	22.7	22.5	27.4	23.9	24.5	27.1	24.9	-
<b>Total FTEs</b>	<b>-</b>	<b>117.9</b>	<b>119.9</b>	<b>130.0</b>	<b>118.1</b>	<b>122.9</b>	<b>130.4</b>	<b>127.1</b>	<b>128.9</b>	<b>140.0</b>	<b>137.8</b>	<b>-</b>
<b>Revenue</b>												
Patient Revenue												
Medicare	148,550	146,868	155,363	264,719	312,958	272,877	302,764	276,960	270,144	229,633	239,247	2,620,084
Medi-Cal Fee-for-Service	167,759	230,368	227,425	280,988	266,507	224,096	274,421	241,877	223,606	204,601	225,981	2,567,629
Medi-Cal Managed Care	832,878	915,914	948,267	1,381,404	1,594,254	1,338,655	1,516,291	1,258,998	1,329,889	1,045,482	1,059,775	13,221,807
Insurance	13,805	13,695	12,988	19,610	21,223	18,570	19,897	20,387	17,655	12,038	13,826	183,593
Self Pay	40,456	51,208	57,429	58,543	83,364	71,363	76,616	82,489	96,112	55,190	81,426	754,198
<b>Gross Revenue</b>	<b>\$ 1,203,448</b>	<b>\$ 1,358,053</b>	<b>\$ 1,401,472</b>	<b>\$ 2,005,265</b>	<b>\$ 2,278,206</b>	<b>\$ 1,925,561</b>	<b>\$ 2,189,990</b>	<b>\$ 1,880,710</b>	<b>\$ 1,937,407</b>	<b>\$ 1,546,945</b>	<b>\$ 1,620,255</b>	<b>\$ 19,347,311</b>
Contractual Adjustments	312,163	(347,286)	(1,135,550)	(1,779,086)	(1,538,555)	(1,170,881)	(1,149,779)	(1,059,319)	(988,731)	(477,688)	366,813	(8,967,899)
<b>Contractual Adjustment %</b>	<b>-25.9%</b>	<b>25.6%</b>	<b>81.0%</b>	<b>88.7%</b>	<b>67.5%</b>	<b>60.8%</b>	<b>52.5%</b>	<b>56.3%</b>	<b>51.0%</b>	<b>30.9%</b>	<b>-22.6%</b>	<b>46.4%</b>
Other Allowances	(1,201)	431	4	(15,921)	27,003	18,030	(256,662)	(85,589)	(245,329)	(200,000)	(200,000)	(959,234)
Capitation Rev	519,095	465,472	462,647	462,521	460,636	460,636	457,402	454,285	452,490	444,192	453,010	5,093,386
<b>Net Pt Revenue</b>	<b>2,033,504</b>	<b>1,476,670</b>	<b>728,574</b>	<b>673,779</b>	<b>1,227,291</b>	<b>1,233,347</b>	<b>1,240,951</b>	<b>1,190,088</b>	<b>1,155,838</b>	<b>1,313,449</b>	<b>2,240,078</b>	<b>14,513,564</b>
Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>\$ 2,033,504</b>	<b>\$ 1,476,670</b>	<b>\$ 728,574</b>	<b>\$ 673,779</b>	<b>\$ 1,227,291</b>	<b>\$ 1,233,347</b>	<b>\$ 1,240,951</b>	<b>\$ 1,190,088</b>	<b>\$ 1,155,838</b>	<b>\$ 1,313,449</b>	<b>\$ 2,240,078</b>	<b>\$ 14,513,564</b>
<b>Operating Expense</b>												
Salaries	\$ 695,249	\$ 855,817	\$ 753,476	\$ 985,867	\$ 709,962	\$ 879,419	\$ 708,540	\$ 812,849	\$ 809,580	\$ 1,081,913	\$ 866,211	\$ 9,158,883
Benefits	486,773	358,928	412,432	447,603	458,773	372,979	458,730	418,008	492,861	531,494	404,582	5,056,824
<b>Total Salaries &amp; Benefits</b>	<b>1,182,022</b>	<b>1,214,744</b>	<b>1,165,909</b>	<b>1,433,470</b>	<b>1,168,735</b>	<b>1,252,399</b>	<b>1,380,930</b>	<b>1,230,856</b>	<b>1,302,441</b>	<b>1,613,407</b>	<b>1,270,794</b>	<b>14,215,707</b>
Professional Fees/Registry	101,349	108,912	106,159	112,469	4,250	168,733	(117,436)	24,055	57,650	64,947	161,453	792,540
Supplies	65,889	64,692	101,535	119,581	139,347	38,580	117,915	110,462	116,217	73,880	114,527	1,062,625
Purchased Services	330,335	329,009	287,937	282,251	305,687	(235,670)	542,625	298,048	137,511	32,313	99,161	2,409,206
Depreciation	21,645	21,645	21,057	21,037	21,037	20,997	20,997	20,997	20,997	20,008	20,008	230,427
Other Expense	49,257	38,823	41,619	52,511	37,557	(15,283)	41,926	31,656	31,587	24,011	21,667	355,631
<b>Total Direct Expense</b>	<b>1,750,497</b>	<b>1,777,825</b>	<b>1,724,216</b>	<b>2,021,318</b>	<b>1,676,614</b>	<b>1,229,756</b>	<b>1,986,957</b>	<b>1,716,075</b>	<b>1,666,404</b>	<b>1,828,865</b>	<b>1,687,609</b>	<b>19,066,136</b>
Overhead Allocation	552,240	557,637	544,030	669,494	559,977	491,943	634,980	577,723	547,731	655,883	527,716	6,319,355
<b>Total Expenses</b>	<b>2,302,737</b>	<b>2,335,462</b>	<b>2,268,246</b>	<b>2,690,813</b>	<b>2,236,591</b>	<b>1,721,699</b>	<b>2,621,936</b>	<b>2,293,798</b>	<b>2,214,135</b>	<b>2,484,749</b>	<b>2,215,325</b>	<b>25,385,491</b>
<b>Net Income (Loss)</b>	<b>\$ (269,233)</b>	<b>\$ (858,792)</b>	<b>\$ (1,539,672)</b>	<b>\$ (2,017,033)</b>	<b>\$ (1,009,300)</b>	<b>\$ (488,352)</b>	<b>\$ (1,380,985)</b>	<b>\$ (1,103,710)</b>	<b>\$ (1,058,297)</b>	<b>\$ (1,171,299)</b>	<b>\$ 24,753</b>	<b>\$ (10,871,927)</b>
<b>Key Ratios</b>												
Gross Pt Revenue/Visit	133.82	133.51	167.84	189.14	259.24	241.06	208.00	203.28	191.71	142.61	151.58	181.98
Total Revenue/Visit (incl Oth Rev)	226.12	145.17	87.25	63.55	139.66	154.40	117.86	128.63	114.37	121.09	209.57	136.51
Direct Costs/Visit	194.65	174.78	206.49	190.65	190.78	153.95	188.71	185.48	164.89	168.61	157.88	179.33
Indirect Costs/Visit	61.41	54.82	65.15	63.15	63.72	61.59	60.31	62.44	54.20	60.47	49.37	59.44
Total Medical Cost/Visit	256.06	229.60	271.65	253.80	254.51	215.54	249.02	247.92	219.09	229.07	207.25	238.77
Net Income(Loss)/Visit	(29.94)	(84.43)	(184.39)	(190.25)	(114.85)	(61.14)	(131.16)	(119.29)	(104.72)	(107.98)	2.32	(102.26)
Benefits as a % of Salaries	70.0%	41.9%	54.7%	45.4%	64.6%	42.4%	94.9%	51.4%	60.9%	49.1%	46.7%	55.2%
Overhead % of Direct Expenses	31.5%	31.4%	31.6%	33.1%	33.4%	40.0%	33.7%	33.7%	32.9%	35.9%	31.3%	33.1%

Art stated because we have contract agreements with certain payers, we will not get the gross charge amount. As an FQHC we have agreed to reduce uninsured qualifying patients. This is a form of a contract writing off the difference. Ideally you would write this off during the month the charge was created. The system does not work like that here. It would be a closer correlation to a month of charge and month of allowances but the net effect over time is essentially the same; you wind up with a lower amount than billed.

Ms. Nino stated the Income Statement (below) and the Consolidated Income Statement (above) do not match and asked for clarification of the amounts reflected.

## San Joaquin Community Clinics Income Statement May 31, 2019

Current Month				Year to Date				
Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var	
10,689	11,750	(1,061)	-9.0%	106,316	112,186	(5,870)	-5.2%	
10,175	11,104	(929)	-8.4%	100,677	103,008	(2,331)	-2.3%	
137.8	138.0	(0.2)	-0.2%	127.7	138.0	10.3	7.5%	
<b>Patient Revenue</b>				<b>Patient Revenue</b>				
\$ 239,247	\$ 304,738	\$ (65,491)	-21.5%	\$ 2,620,084	\$ 2,724,332	\$ (104,248)	-3.8%	
225,981	311,201	(85,220)	-27.4%	2,567,829	3,008,009	(440,380)	-14.6%	
1,059,775	1,536,793	(477,018)	-31.0%	13,221,907	15,903,689	(2,781,882)	-17.5%	
13,826	33,061	(19,235)	-58.2%	183,593	320,028	(136,435)	-42.6%	
81,426	63,205	18,054	28.6%	755,426	596,766	158,206	26.5%	
<b>1,620,255</b>	<b>2,248,998</b>	<b>(628,910)</b>	<b>-28.0%</b>	<b>19,348,539</b>	<b>21,652,824</b>	<b>(2,304,739)</b>	<b>-10.6%</b>	
166,813	(1,253,029)	1,419,842	113.3%	(9,927,133)	(12,025,847)	2,098,714	17.5%	
<b>1,787,068</b>	<b>995,969</b>	<b>790,932</b>	<b>179.43%</b>	<b>9,421,406</b>	<b>9,626,977</b>	<b>(206,025)</b>	<b>-2.1%</b>	
453,010	548,634	(95,624)	-17.4%	5,093,386	5,257,691	(164,205)	-3.1%	
<b>2,240,078</b>	<b>1,544,603</b>	<b>695,308</b>	<b>145.03%</b>	<b>14,514,792</b>	<b>14,884,668</b>	<b>(376,355)</b>	<b>-3.9%</b>	
0	0	0	0%	0	0	0	0%	
<b>2,240,078</b>	<b>1,544,603</b>	<b>695,308</b>	<b>145.0%</b>	<b>14,514,792</b>	<b>14,884,668</b>	<b>(376,355)</b>	<b>-3.9%</b>	
<b>Operating Expense</b>				<b>Operating Expense</b>				
866,211	1,066,239	200,028	18.8%	9,158,883	11,636,914	2,478,031	21.3%	
404,582	450,389	45,807	10.2%	5,056,824	5,019,532	(37,292)	0.7%	
<b>1,270,794</b>	<b>1,516,628</b>	<b>245,834</b>	<b>16.2%</b>	<b>14,215,707</b>	<b>16,656,446</b>	<b>2,440,739</b>	<b>14.7%</b>	
161,453	63,117	(98,336)	-156.8%	792,540	694,287	(98,253)	-14.2%	
114,527	101,041	(13,486)	13.3%	1,062,625	1,052,330	(10,295)	-1.0%	
99,161	254,973	155,813	61.1%	2,409,206	3,596,518	1,187,312	33.0%	
20,008	11,344	(8,664)	76.4%	230,427	134,280	(96,147)	71.6%	
21,667	38,810	17,143	44.2%	355,631	426,222	70,591	16.6%	
<b>1,687,609</b>	<b>1,985,913</b>	<b>298,304</b>	<b>15.0%</b>	<b>19,066,136</b>	<b>22,566,083</b>	<b>3,499,947</b>	<b>15.5%</b>	
527,716	668,057	140,341	27.0%	6,319,355	7,372,725	1,053,370	14.3%	
<b>2,215,325</b>	<b>2,653,970</b>	<b>438,645</b>	<b>16.5%</b>	<b>25,385,491</b>	<b>29,932,808</b>	<b>4,547,317</b>	<b>15.2%</b>	
24,753	(1,109,367)	1,134,120	102.2%	(10,870,699)	(15,048,140)	3,970,962	-26.4%	
<b>Key Ratios</b>				<b>Key Ratios</b>				
\$ 159.24	\$ 202.54	\$ (43.30)	-21.4%	Gross Pt Revenue/Billable Visit	\$ 192.18	\$ 210.21	\$ (18.03)	-8.6%
\$ 220.16	\$ 139.10	\$ 81.05	58.3%	Net Revenue/Billable Visit incl	\$ 144.17	\$ 144.50	\$ (0.33)	-0.2%
\$ 165.86	\$ 178.85	\$ 12.99	7.3%	Direct Costs/Billable Visit	\$ 189.38	\$ 219.01	\$ 29.63	13.5%
\$ 51.86	\$ 60.16	\$ 8.30	13.8%	Indirect Costs/Billable Visit	\$ 62.77	\$ 71.57	\$ 8.81	12.3%
\$ 217.72	\$ 239.01	\$ 21.29	8.9%	Total Medical Cost/Billable Visit	\$ 252.15	\$ 290.59	\$ 38.44	13.2%
\$ 2.43	\$ (99.91)	\$ (102.34)	-102.4%	Net Income(Loss)/Billable Visit	\$ (107.98)	\$ (108.09)	\$ (0.11)	-0.1%
\$ 544.31	\$ 597.53	\$ 53.22	8.9%	Total Cost/Patient (1)	\$ 630.37	\$ 726.47	\$ 96.10	13.2%
138.3%	68.7%	69.6%	101.3%	Net Pt Rev as % of Gross Rev	48.7%	44.5%	4.2%	9.5%
46.7%	42.2%	-4.5%	-10.6%	Benefits as a % of Salaries	55.2%	43.1%	-12.1%	28.0%
31.3%	33.6%	2.4%	7.0%	Overhead % of Direct Exp	33.1%	32.7%	-0.5%	-1.4%

John Hardman stated the income statement is where the other allowance of \$200 thousand which is a separate line on the consolidated income statement. You take the allowances of \$200 thousand with the debit contractual adjustment.

Rod Place asked why there is an amount of \$366 thousand to the positive instead of a million. Mark Smith advised with respect to what happened in the month, there was a change in methodology to pull the revenue numbers. We had another report where we could attest to the numbers. This impacted the period of July through January because of the change in how we came up with the gross revenue numbers came into effect in February. As a result, when we ran the report, things changed dramatically. He shared this earlier today with Art (late). Previously, overall, for that six-month period, \$16.5 million in gross revenue. With the change and how we derive our revenues, it is down to \$15.5 million. When you look at those there are three payer classes and three different clinics that account for all these changes. The three payers are Medicare (\$1.5 million sway in that six months); Medi-Cal (swung \$959,00 from what was previously reported) and the last was insurance which swung a negative \$3.5. We had a change in the total revenues, change in payer. The contractual piece is basically billable visits times rates which is what caused the impact big switch. The way accounting works is we don't go back restate prior months; once it is done it is done, you run it all in the current month.

Rod stated Chris Roberts had put together a report for PRIME dollars and asked if the committee will continue seeing this for this fiscal year. David Culberson stated we have not incorporated this historically. Going forward, the FQHC will continue to report the values of PRIME and it was presented to the Executive Committee last week. Roughly 83% of \$15.3 million are attributed to the FQHC outpatient activities. Rod would like to see now that we are about to end our fiscal year, a report that shows the PRIME dollars as well that Monica Nino can present to the Board of Supervisors. He recommended something that can be ran every six months that will reflect whatever will be replacing PRIME. Rod stated he understands variances but a swing this far seems a bit extreme. To see a total of \$1.1 million swing, something is not reporting correctly. How does the FQHC CFO get more insight or control?

Lynn Kelly advised Finance has formed a committee and they are all looking at variances and how all the dollars are being mapped. They are now going into the PWPM and meeting weekly. This is a work in progress to make the numbers more consistent. Lynn advised Chris Roberts is the one who initiated this committee. There are certain funds going to the wrong GO accounts. Chris wants this reconciled and corrected. Lynn advised they are making great strides and improvements.

Mary Esteban advised PWPM has a map they can follow. They know it is working as designed and they can now start to see the mis-mapping and anything they are missing. This will be a consistent meeting going forward. Rod asked if he could have an update on this meeting each month (approximately 3 minutes) so that the Finance Committee is appraised. This topic will be added to the agenda going forward. He would like to ensure this committee can assist wherever possible.

Rod stated he noticed Art still needed more clarity into why something was allocated a certain way leading him to believe Art is still not getting all the breakdown of the detail he needs. He would like to know what it is he is missing to be able to answer some of the questions this board asks of him. Art stated he cannot tell the committee what transactions said in what payer or what contractual caused these changes. He has looked at the worksheets and he can see clearly the YTD gross charges for all these processes changed very little so obviously it is something on the allowance side that wasn't mapped correctly. He needs someone to explain it to him. He anticipated before this would be the outcome but does not know specific payers or what period was causing it. John advised PWPM is not an accounting software program, all the reports are text based and they must convert the documents. Art and John will get together to go over the reason for the changes that Art does not understand.

IV. Accounts Receivables Status (Mary Esteban/Lynn Kelly)

Ms. Lynn Kelly stated out with the Key Performance Indicators (KPI). Our Cash Collections for the month of May was \$979,942. Our A/R days are currently at 80, which is slightly lower than prior months.

Finance Committee Minutes of May 28, 2019

PFS KEY PERFORMANCE INDICATORS													
	Target	06/30/18	07/31/18	08/31/18	09/30/18	10/31/18	11/30/18	12/31/18	01/31/19	02/28/19	03/31/19	04/30/19	05/31/19
<b>SJCC Business Office</b>													
Cash Collections	Actual	\$250,779	\$277,120	\$2,080,202	\$530,939	\$860,911	\$1,088,326	\$1,013,600	\$666,866	\$361,233	\$922,867	\$1,475,854	\$979,942
Gross AR		\$3,639,519	\$6,089,335	\$4,112,603	\$4,442,780	\$3,972,074	\$3,692,422	\$7,325,876	\$8,390,462	\$9,225,237	\$9,309,278	\$8,941,430	\$8,758,094
Gross AR Days (90 day average)	66.5	73.9	123.6	83.5	90.2	80.6	22.3	69.3	85.4	96.8	89.1	81.7	80.0
Average Daily Revenue (90 day average)		\$49,259	\$49,259	\$49,259	\$49,259	\$49,259	\$165,729	\$105,731	\$98,306	\$95,287	\$104,481	\$109,415	\$109,498
AR over 90 Days		\$1,028,749	\$1,954,592	\$2,638,338	\$2,732,961	\$3,071,324	\$3,291,830	\$3,220,026	\$3,868,357	\$4,745,853	\$5,761,685	\$6,082,044	\$6,057,956
AR over 120 Days		\$414,907	\$391,103	\$395,283	\$389,760	\$2,584,633	\$2,826,650	\$2,637,541	\$3,106,051	\$4,012,694	\$4,974,454	\$5,549,792	\$5,508,721
AR over 180 Days		\$154,074	\$159,602	\$191,132	\$157,361	\$135,067	\$1,377,216	\$0	\$0	\$0	\$0	\$0	\$0
Credit Balance Total		\$130,064	\$188,759	\$219,060	\$221,288	\$383,181	\$292,865	\$249,502	\$202,897	\$190,885	\$194,270	\$184,942	\$235,387
Total Number of claims for month		21,210	11,842	12,439	12,646	23,840	17,660	17,406	19,337	23,081	23,869	23,285	16,410
Total Number of clean claims for month		20,369	11,598	11,964	12,280	21,086	17,271	15,774	19,039	22,719	23,506	23,018	15,653
Total Number of claim errors for month		841	244	475	366	2,754	389	1,632	298	362	363	267	717
Clean Claims from Tritzello & ClaimRemsd	>=85%	96%	98%	96%	97%	88%	96%	91%	98%	99%	98%	99%	96%

Monica Nino asked how we know how old some of these numbers are. Lynn advised they took their aging accounts which is about 6 million and wanted to show the different types of insurance billed at the clinic level and split them up by aging from 90 and over and 120 and over (see below chart).

PFS Reimbursement Analysis for A/R Aging					
Insurance	Aging Over 90 Days	Approximate Reimbursement	Aging Over 121 Days	Approximate Reimbursement	Comments
AARP			\$ 825.00		
Aetna Medicare			\$ 2,191.00		
Aetna	\$ 337.00	85%	\$ 6,644.00	85%	
Alameda Alliance	\$ 329.00	30%	\$ 1,689.00	30%	
Alignment HC	\$ 223.00	30%	\$ 216.00	30%	
Allcare Medicare			\$ 212.00		
Blue Cross	\$ 3,294.00	85%	\$ 23,616.00	85%	
BlueShield	\$ 2,223.00	85%	\$ 5,995.00	85%	
California Health			\$ 287.00		
California Conservation	\$ 188.00	30%		30%	
CDP 553	\$ 2,129.00	30%	\$ 16,992.00	30%	
Central Alliance	\$ 130.00	30%		30%	
Champva	\$ 28.00	30%	\$ 961.00	30%	
Charity	\$ 30.00	0%	\$ 220.00	0%	(Adjustment reversal)
CHDP	\$ 40,773.00	30%	\$ 528,798.00	30%	
Cigna	\$ 218.00	85%	\$ 1,819.00	85%	
Citizen's Choice	\$ 223.00	30%		30%	
Communicable Disease	\$ 430.00	N/A	\$ 10,959.00	N/A	
Community Services	\$ 564.00	N/A	\$ 18,380.00	N/A	
EBMS	\$ 46.00	30%		30%	
Gallagher Bassett			\$ 405.00		
HCCMS	\$ 294.00	30%		30%	
Healthnet Mnged	\$ 3,256.00	30%	\$ 36,578.00	30%	
Hill Physician's	\$ 17,216.00	30%	\$ 215,767.00	30%	
HPSJ MGD MCAL	\$ 180,050.00	30%	\$ 2,338,564.00	30%	
Humana	\$ 1,694.00	30%	\$ 12,958.00	30%	
Kaiser	\$ 191.00	90%	\$ 2,910.00	90%	
LA Care Healthplan			\$ 121.00	30%	
Lucent TPA	\$ 2,777.00	30%	\$ 7,871.00	30%	
Medcore OMNI IPA	\$ 4,110.00	30%	\$ 13,490.00	30%	
MedCal	\$ 76,877.00	75%	\$ 547,916.00	50%	
MediCare	\$ 174,224.00	30%	\$ 1,447,165.00	30%	
Misc Commercial	\$ 1,028.00	85%	\$ 17,806.00	85%	
Molina HealthPlan		30%	\$ 701.00	30%	
Multiplan			\$ 99.00	85%	
PACT 962	\$ 3,905.00	30%	\$ 104,220.00	30%	
Partnership Healthplan			\$ 797.00	30%	
Pending MediCal			\$ 2,871.00	20%	(Needs Financial Assessment)
POMCO	\$ 185.00		\$ 2,479.00	N/A	
Prime Community	\$ 1,268.00	30%	\$ 328.00	30%	
Progressive Ins.			\$ 99.00	60%	
Santa Clara Family			\$ 102.00	30%	
SJ County Sheriff	\$ 82.00	30%	\$ 175.00	30%	
Sliding Fee Scale	\$ 19,778.00	10%	\$ 77,577.00	10%	(Needs Financial Assessment)
Sutter Health			\$ 318.00	N/A	
TriCare West	\$ 932.00	65%	\$ 2,127.00	65%	
UFCW			\$ 238.00	85%	
UMR			\$ 188.00	85%	
United Health Care	\$ 700.00	85%	\$ 8,419.00	85%	
VA Fee Services			\$ 166.00	50%	
Victim of Crime	\$ 99.00	30%	\$ 99.00	30%	
ZZ MediCal 18 Wrap	\$ 2,173.00	75%	\$ 10,786.00	75%	
Miscellaneous	\$ 3,701.00	35%	\$ 35,577.00	35%	
<b>TOTALS:</b>	<b>\$ 545,705.00</b>		<b>\$ 5,508,721.00</b>		<b>\$ 6,054,426.00</b>
<b>PERCENTAGE BY AGING</b>		<b>8%</b>		<b>92%</b>	<b>100%</b>

**Identified Issues that may Impact Predictable Reimbursement:**

- \* Late Charges received past timely filing limit
- \* Lacks sufficient documentation to upcode
- \* Eligibility not verified at Point of Service
- \* No authorization for visit
- \* Incorrect insurance adjustment after payment

In reviewing this, she was surprised at how much clean-up they had to do. A lot of insurances were actually paid and they needed to determine whether it was underpaid or not. Because they hadn't been touched right away, they fell into an aging bucket. She also noticed some accounts with lack of authorization or the eligibility was incorrect so they are fixing those. She believes there will be an improvement in the aging report for fiscal year end.

Isela Kloeppel stated we don't have a fee for service in the FQHC so why we would have dollars there when we get capitation. She asked if we will be adjusting this accordingly to zero. Lynn stated this should be adjusted if we get the capitation. Isela stated the set up for that should be it gets adjusted once the payer receives it, we get a return. Lynn will ensure this is updated.

Lynn advised we have received payments on the Medicare and Medi-Cals. We have had some opportunities with commercial accounts. We don't have any contracts with most of these so our expectation is 100% payment but at the very least, 84% of payment.

Rod stated his big concern is the column that states, "Aging over 120 days". We have no idea where this is at. Is this at the six-month, nine-month? There are critical decisions that need to be made regarding this. He would look at the two biggest ones, look at how old they are since it would be a waste of employees' time to be working on the eleventh month ones. He would like to see us concentrate on the earliest ones instead of the older ones, making a business decision on what is better to go after. Lynn stated the prediction for the Medi-Cal is we need to do this now so we can get the 50% payment which is why she has prioritized it with her staff.

Lynn advised these claims have already been sent out. Some of them have a balance with a payment and adjustment or some of them have a balance of adjustment/adjustment. In the billing world when you see that you either call the insurance company and find out what is going on or you fix the adjustments appropriately. There could have been a denial, etc.

Monica Nino advised the way FQHCs operate, they are meant to break even within a twelve-month period. For us to be in year four and year five, what we are seeing is troubling. Art advised when one looks at the aging report, it doesn't tell you what the A/R is under thirty days. This is more typical because the payers are generally very fast. Lynn advised they are on track to get everything resolved this week so they are not constantly doing clean up. Mary Esteban stated the team works in tandem on the current rejections and the cleaning. It is not as if the rejected encounters are put aside so they can focus on the cleaning.

Lynn mentioned one of the subjects that arose is the possibility of an outside agency or vendor that can do the FQHC billing on a proprietary system rather than PWPM. She believes this might be the solution.

V. Other

There were no other items to discuss.

VI. Adjournment

The meeting adjourned at 5:01 p.m.

Attachments: Financial Statement Comments (May 2019 and YTD)  
Income Statement (May 31, 2019)  
Variance Analysis FY2018-2019  
Consolidated Income Statement Trended (FY 2018-2019)  
PFS Key Performance Indicators (June 2018 through May 2019)  
PFS Reimbursement Analysis for A/R Aging



**San Joaquin General Hospital/P. O. Box 1020 • Stockton • CA 95201  
(209) 468-6000**

Date: Monday July 22, 2019  
 To: SJCC Board of Directors  
 From: Marilyn Kelly, Deputy Director of Finance for PFS  
 Re: Key Performance Indicators for June 2019

PFS KEY PERFORMANCE INDICATORS							
	Target	01/31/19	02/28/19	03/31/19	04/30/19	05/31/19	06/30/19
<b>SJCC Business Office</b>							
Cash Collections	Actual	\$666,856	\$381,233	\$922,867	\$1,475,854	\$1,092,077	\$679,132
Gross AR		\$8,390,462	\$9,225,237	\$9,309,278	\$8,941,430	\$8,758,094	\$8,383,872
Gross AR Days (90-day average)	66.5	85.4	96.8	89.1	81.7	80.0	86.8
Average Daily Revenue (90-day average)		\$98,306	\$95,287	\$104,481	\$109,415	\$109,495	\$96,637
Wrap AR		\$3,861,192	\$4,560,197	\$4,305,680	\$3,970,583	\$3,623,201	\$3,873,599
Net AR			\$4,665,039	\$5,003,598	\$4,970,848	\$5,134,893	\$4,510,273
AR over 90 Days		\$3,868,357	\$4,745,853	\$5,761,685	\$6,082,044	\$6,057,956	\$5,855,897
AR over 120 Days		\$3,106,051	\$4,012,694	\$4,974,454	\$5,549,792	\$5,508,721	\$5,323,904
Credit Balance Total		\$202,897	\$190,885	\$194,270	\$184,942	\$235,387	\$321,981
Credit Balances over 60 days		\$95,488	\$128,069	\$134,392	\$120,845	\$173,745	\$260,155
Credit Balances over 150 days		\$78,189	\$115,726	\$127,589	\$108,157	\$157,138	\$252,113
Total Number of claims for month		19,337	23,081	23,869	23,285	16,410	15,994
Total Number of clean claims for month		19,039	22,719	23,506	23,018	15,693	12,134
Total Number of claim errors for month		298	362	363	267	717	3,860
Clean Claims from TriZetto & ClaimRemedi	>85%	98%	98%	98%	99%	96%	76%

- Cash collections was lower than prior months, as the MediCal funded fee-for-service program scheduled for the second to last warrant date of the fiscal year held check writes and payments.
- Gross A/R remains steady, with a slight downward trend on aging categories 90-120 A/R days.
- Credit Balances are still inflated due to posting errors and we are working on this clean up after follow-up duties.
- Clean claims percentages dropped by 20% because we received 3,943 Manteca claims that were rejected (internally) through our claim's scrubber TriZetto for service dates 3/2018 to current. MediCal had the wrong address. This has been fixed and tested and we are waiting for Cerner PWPM to give us the go-ahead to push out these claims.

## INITIAL APPOINTMENTS

JULY 2019

The following practitioners have applied for membership and privileges at San Joaquin General Hospital. The following summary includes factors that determine membership: licensure, DEA, professional liability insurance, required certifications (if applicable), etc. Factors that determine competency include medical/professional education, internship/residencies/fellowships, board certification (if applicable), current and previous hospital and other institutional affiliations, physical and mental health status, peer references, and past or pending professional disciplinary action. The applicants meet the requirements for membership unless noted below.

Membership Request	Name	Specialty/ Assigned Div/Dept	Competency / Privilege Review	Proctoring Required	Proctor	Rec Status/Term	Recommend
Initial	** Ramona Bahnam, MD	Family Medicine	Graduated: St. George's Univ.: 2016 Residency: SJGH: 2019 Board: Not Board Certified	Y	Dr. Jafri	Provisional	Dept: 07/02/19 Cred: 07/02/19 Mec: 07/16/19
Initial	** Jackline Grace, MD	Family Medicine	Graduated: Ross University.: 2014 Residency: SJGH: 2019 Board: Not Board Certified	Y	Dr. Jafri	Provisional	Dept: 07/02/19 Cred: 07/02/19 Mec: 07/16/19
Initial	Dherain Patel, MD	Family Medicine	Graduated: St. George's Univ.: 2016 Internship: SJGH: 2017 Residency: SJGH: 2019 Board: Not Board Certified	Y	Dr. Jafri	Provisional	Dept: 07/02/19 Cred: 07/02/19 Mec: 07/16/19
Initial	Timothy Nardine, MD	OB/GYN	Graduated: Univ. of Wisconsin: 2009 Masters: Univ. of Wisconsin: 2012 Residency: Loyola University: 2013 Residency: Univ. of Toledo: 2016 Board: Not Board Certified	Y	Dr. Lim	Provisional	Dept: 07/02/19 Cred: 07/02/19 Mec: 07/16/19
Initial	** Kathryn M. Roberts, CNM	OB/GYN	Vanderbilt University School of Nursing: 2013	Y	Dr. Lim	Provisional	Dept: 07/12/19 Cred: 07/02/19 Mec: 07/16/19
Initial	** Annie Thor, CNM	OB/GYN	Marquette University: 2016	Y	Dr. Lim	Provisional	Dept: 07/12/19 Cred: 07/02/19 Mec: 07/16/19

\*\*Temporary Privileges

**REAPPOINTMENTS**

**JULY 2019**

The following practitioners have applied for reappointment to the Medical Staff of San Joaquin General Hospital. This summary includes factors that determine membership: licensure, DEA, professional liability insurance, hospital affiliations, etc. Qualitative/quantitative factors include ongoing performance evaluation which includes data from peer review, quality performance, clinical activity, privileges, competence, technical skill, behavior, health status, medical records, blood review, medication usage, litigation history, utilization and continuity of care. affiliations, physical and mental health status, peer references, and past or pending professional disciplinary action. All the applicants privilege request commensurate with training, experience and current competence unless noted below.

<b>Membership Request</b>	<b>Name</b>	<b>Specialty/ Assigned Div/Dept</b>	<b>Quantitative/Qualitative Factors Request for Privileges and/or Privilege Change</b>	<b>Action Taken/Rec. Exceptions for Cause</b>	<b>Rec. Staff Category/Reappoint Period</b>	<b>Recommend</b>
Reappointment	Soujanya Sodavarapu, MD	Internal Med PMC	Requirements for Active Staff met	None	Active 9/2019 to 9/2021	Dept: 07/02/19 Cred: 07/02/19 MEC: 07/16/19
Reappointment	Mandana Motameni, CNM	Mid Wife OB/GYN	Requirements for AHP staff met	None	08/2019 to 08/2021	Dept: 07/05/19 Cred: 07/02/19 MEC: 07/16/19

The following practitioners are being advanced to their requested staff status to the Medical Staff of San Joaquin General Hospital. This summary includes factors that determine membership: licensure, DEA, professional liability insurance, hospital affiliations, etc. Qualitative/quantitative factors include ongoing performance evaluation which includes data from peer review, quality performance, clinical activity, privileges, competence, technical skill, behavior, health status, medical records, blood review, medication usage, litigation history, utilization and continuity of care.

Name	Specialty/Assigned Div/Dept	Current Category of Membership	Recommended Category	Reason	Recommend
Helena Okhotin, MD	Family Medicine	Provisional	Active	Proctoring Completed	Dept: 07/02/2019 Cred: 07/02/2019 MEC: 07/16/2019
Patricia Manuse, LCSW	License Clinical Worker Family Medicine	Provisional	Allied Health Professional	Proctoring Complete	Dept: 07/05/19 Cred: 07/02/19 Mec: 08/13/19
Rachel Ruskin, MD	OB/GYN UC Davis	Provisional	Active	Proctoring Done By Proxy	Dept: 07/02/2019 Cred: 07/02/2019 MEC: 07/16/2019

# Progress/Achievements – First 60 Days

- Cleared all HRSA conditions/findings from November 2018 OSV
- Secured NCQA PCMH recognition for 5 of 8 sites
- HR Tabletop Exercise – 135 of 450 staff identified to be moved
- Productivity Brute-Force Increase (2.09 May, 2.33 June) in highest volume clinic (PMC) 11 docs – translates to net add of 105 encounters/week (roughly additional \$20k revenue/week in that clinic alone)
  - Brute-Force approach to scale to remaining 7 sites
  - Longer-term sustainability access model in the works (to decrease no-show, non-utilization rate)
- Clinic Financial Proforma – Concept/Design of Line-Item Inventory
- Onboard FQ Finance Director
- RCM outsource due diligence
- Marketing plan – Google, Marketing SOW, Community Health Fair kickoff, Manteca Open House
- Strategic planning sessions launched (9/6 HRSA due date)
- Contracts Review – Eliminate poor performing agreements, create visible controls and discipline around contracts management (e.g. HCS SST \$250k/yr, PHS SST \$208k/yr, HCIN \$30k/qtr, Stanford Teleneuro \$14,500/mo.)
- Payer Contracts Optimization – Grow Medicare Advantage in payer mix (Medcore contract), expand market share
- Wipfli strategy session – July 25<sup>th</sup>
- 340b scoping

## Board Member Strategic Planning Activity

A key component of the SJCC Strategic Plan is **Board Governance**. As part of our strategic planning work, building a vital, strong Board of Directors is a critical component of our transformation.

Outlined below are a variety of actions we've identified could assist the Board members in achieving the above-mentioned strategy. **Please select the top 4 (four) activities you believe would be most influential to building a vital, strong Board of Directors:**

1. Create an onboarding program for new board members
2. Coordinate a series of **off-site** training and educational programs for the board members
3. Coordinate a series of **on-site** training and educational programs for the board
4. Coordinate a series of on-line training and educational programs for the board
5. Invite a select number of board members to attend "Board member boot camp" annually
6. Develop a board recruitment plan
7. Identify board members who can participate in community events and spread the word about SJCC
8. Develop a marketing strategy, with a budget, to recruit new board members
9. Create new opportunities for board members to participate in SJCC onsite activities
10. Connect our board members with other FQHC board members to begin building relationships/network to exchange ideas/questions/success stories in the future
11. Schedule an operational "meet and greet" to familiarize the board with key members of the staff
12. Schedule a special session to review contents of HRSA manual