

San Joaquin General Hospital
FQHC LAL Clinics

1

DRAFT BUDGET FY 2018-2019

MAY 29, 2018

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**San Joaquin General Hospital - FQHC LAL
Budget Fiscal Year 2018-19
Volume Recap**

Clinic	2017-2018 Act/Proj	Proposed 2018-2019 Budget	Change Incr (Decr)	% Change Incr (Decr)
7080 - Children's Health Services	17,913	18,156	243	1.4%
7092 - Family Medicine	18,698	19,373	675	3.6%
7093 - Family Practice Clinic	4,468	7,880	3,412	76.4%
7096 - Primary Medicine Clinic	31,339	33,852	2,513	8.0%
7182 - Healthy Beginnings/Calif St	8,725	9,125	400	4.6%
7183 - Healthy Beginnings/French Camp	9,541	9,668	127	1.3%
7184 - SJCC Hazelton	4,665	7,406	2,741	58.8%
7185 - SJCC Manteca	4,234	10,610	6,376	150.6%
Total	99,583	116,070	16,487	16.6%

**San Joaquin General Hospital
 Budget 2018-19
 FQHC Visit Rollforward**

Clinic	2017-2018 Act/Proj	Normalize Productivity	Increase due to new providers	2018-2019 Budget
7080 - Children's Health Services	17,913	243		18,156
7092 - Family Medicine	18,698	78	597	19,373
7093 - Family Practice Clinic	4,468	815	2,597	7,880
7096 - Primary Medicine Clinic	31,339	2,513		33,852
7182 - Healthy Beginnings/Calif St	8,725	400		9,125
7183 - Healthy Beginnings/French Camp	9,541	127		9,668
7184 - SJCC Hazelton	4,665	83	2,658	7,406
7185 - SJCC Manteca	4,234	1,742	4,635	10,610
Total	99,583	6,001	10,487	116,070

	2017-2018 Act/Proj	Proposed 2018-2019 Budget	Change Incr (Decr)	% Change Incr (Decr)
Visits	99,583	116,070	16,487	16.6%
Net Revenue per Visit	\$128.88	\$140.11	\$11.23	8.7%
Total Net Revenue	\$12,834,000	\$16,262,000	\$3,428,000	26.7%

Payor Mix

Medicare	13.0%	8.7%	-4.3%
Medi-Cal Fee-for-Service	14.0%	12.7%	-1.3%
Medi-Cal Managed Care	69.2%	74.2%	5.0%
Insurance	1.3%	1.5%	0.2%
Self Pay	2.5%	2.8%	0.3%
Indigent	0.0%	0.0%	0.0%
Total	100.0%	100.0%	0.0%

Assumptions for Proposed Budget:

- 1) Gross revenue rate increase of 7% was budgeted for 2018-2019.
- 2) Volumes and payor mix based on activity through December 31, 2017.
- 3) Medicare reimbursement is based on PPS rates as follows:
 - New Patients, initial preventative and annual wellness \$226.88
 - Established Patients (medical and mental health) \$169.11
- 4) Medi-Cal and Medi-Cal Managed Care reimbursement were calculated using 80% of the unaudited PPS rates developed by Wipfli/HFS.
- 5) Other adjustments based on activity through December 31, 2017, including locum write-offs.

	2017-2018 Act/Proj	Proposed 2018-2019 Budget	Change Incr (Decr)	% Change Incr (Decr)
Visits	99,583	116,070	16,487	16.6%
<u>Expenses</u>				
Salaries & Benefits	12,124,000	17,972,000	5,848,000	48.2%
Other Direct Expense	7,323,000	6,362,000	(961,000)	-13.1%
Total FQHC Expense	19,447,000	24,334,000	4,887,000	25.1%
Allocation of Admin Expense	6,262,000	7,968,000	1,706,000	27.2%
Total Expense	\$25,709,000	\$32,302,000	\$6,593,000	25.6%
Admin % of Direct Expense	32.2%	32.7%		
<u>Expense per visit</u>				
Salaries & Benefits	\$121.75	\$154.84	\$33.09	27.2%
Other Direct Expense	\$73.54	\$54.81	-\$18.72	-25.5%
Total FQHC Expense	\$195.28	\$209.65	\$14.37	7.4%
Allocation of Admin Expense	\$62.88	\$68.65	\$5.77	9.2%
Total Expense	\$258.17	\$278.30	\$20.13	7.8%

	2017-2018 Act/Proj	Proposed 2018-2019 Budget	Change Incr (Decr)	% Change Incr (Decr)
Visits	99,583	116,070	16,487	16.6%
Net Revenue	12,834,000	16,262,000	3,428,000	26.7%
Direct FQHC Expense	19,447,000	24,334,000	4,887,000	25.1%
Direct Net Income (Loss)	(6,613,000)	(8,072,000)	(1,459,000)	22.1%
Allocation of Admin Expense	6,262,000	7,968,000	1,706,000	27.2%
Total Net Income (Loss)	-\$12,875,000	-\$16,040,000	-\$3,165,000	24.6%

San Joaquin General Hospital-FQHC LAL Clinics
DRAFT Budget, Fiscal Year 2018-2019

	2018 - 2019 Budget											Total	Change Projected to Budget Incr (Decr)	% Change Projected to Budget Incr (Decr)		
	Projected 2018	Children's Health Services (#7080)	Family Medicine (#7092)	Family Practice Calif St (#7093)	Primary Medicine (#7096)	Healthiness California Street (#7182)	Healthy Beginnings French Camp (#7183)	Hazleton Clinic (#7184)	Manteca (#7085)	FQ Admin						
Total visits	107,405															
Billable visits	99,583	18,156	19,373	7,880	33,852	9,125	9,668	7,406	10,610					116,070	16,487	16.6%
FTE's	110.7	18.9	17.4	12.9	34.9	12.6	12.5	6.0	14.0	9.0				138.0	27.4	24.8%
Hours/visit	2.263	1.483	1.276	2.332	1.468	1.967	1.835	1.154	1.873	-				1.694	(0.569)	-25.1%
Patient Revenue																
Medicare	2,447,102	0	395,666	266,860	1,051,048	50,824	48,081	77,844	174,985	0				2,065,308	-381,794	-15.6%
Medi-Cal	2,631,984	605,333	298,922	54,781	200,487	592,475	379,010	511,675	366,267	0				3,008,950	376,966	14.3%
Medi-Cal Managed Care	12,992,510	4,259,333	2,566,350	1,313,955	4,261,472	1,424,482	1,305,689	745,285	1,690,565	0				17,567,131	4,574,621	35.2%
Insurance	249,097	21,438	53,662	14,086	68,211	24,471	39,817	92,233	36,980	0				350,898	101,801	40.9%
Self Pay	467,879	31,592	170,813	61,041	137,929	32,000	42,446	94,513	94,136	0				664,470	196,591	42.0%
Indigent	1,663	0	3,023	0	0	0	0	0	0	0				3,023	1,360	81.8%
Gross Patient Revenue	\$ 18,790,235	\$ 4,917,696	\$ 3,488,436	\$ 1,710,723	\$ 5,719,147	\$ 2,124,252	\$ 1,815,043	\$ 1,521,550	\$ 2,362,933	\$ -				\$ 23,659,780	\$ 4,869,545	25.9%
Deductions from Revenue	-11,704,235	-2,746,318	-2,032,007	-1,003,614	-3,576,612	-956,169	-1,082,213	-1,052,540	-1,667,006	0				-13,142,479	-1,438,244	12.3%
Physician Capitation- PMPM	5,747,842	1,055,962	956,986	406,377	1,693,729	410,876	467,011	243,611	509,717	0				5,744,268	-3,574	-0.1%
Net Patient Revenue	\$ 12,833,842	\$ 3,227,340	\$ 2,413,415	\$ 1,113,486	\$ 3,836,264	\$ 1,578,959	\$ 2,173,841	\$ 712,621	\$ 1,205,644	\$ -				\$ 16,261,569	\$ 3,427,727	26.7%
Other Revenue	0	0	0	0	0	0	0	0	0	0				0	0	0.0%
Total Operating Revenue	\$ 12,833,842	\$ 3,227,340	\$ 2,413,415	\$ 1,113,486	\$ 3,836,264	\$ 1,578,959	\$ 2,173,841	\$ 712,621	\$ 1,205,644	\$ -				\$ 16,261,569	\$ 3,427,727	26.7%
Expenses																
Salaries	\$ 7,949,518	\$ 1,837,351	\$ 1,269,449	\$ 819,447	\$ 3,834,916	\$ 970,903	\$ 1,301,246	\$ 369,740	\$ 1,346,562	\$ 838,258				\$ 12,587,872	\$ 4,638,354	58.3%
Benefits	\$ 4,174,937	\$ 698,851	\$ 574,426	\$ 420,819	\$ 1,446,211	\$ 486,814	\$ 453,454	\$ 187,230	\$ 479,557	\$ 636,484				\$ 5,383,846	\$ 1,208,909	29.0%
Registry	0	0	0	0	0	0	0	0	0	0				0	0	0.0%
Total Salaries, Reg, Bene	\$ 12,124,454	\$ 2,536,202	\$ 1,843,875	\$ 1,240,266	\$ 5,281,127	\$ 1,457,717	\$ 1,754,700	\$ 556,970	\$ 1,826,119	\$ 1,474,742				\$ 17,971,718	\$ 5,847,264	48.2%
Professional Fees	\$ 1,978,193	\$ -	\$ -	\$ -	\$ 65,000	\$ -	\$ 42,400	\$ -	\$ -	\$ 650,000				\$ 757,400	\$ -1,220,793	-61.7%
Supplies	\$ 1,581,660	\$ 87,896	\$ 368,161	\$ 55,068	\$ 122,479	\$ 97,520	\$ 161,504	\$ 145,974	\$ 104,512	\$ 5,338				\$ 1,148,452	\$ -433,208	-27.4%
Purchased Services	\$ 3,273,224	\$ 74,999	\$ 189,700	\$ 88,700	\$ 127,000	\$ 198,512	\$ 198,512	\$ 1,479,558	\$ 29,292	\$ 1,465,174				\$ 3,851,447	\$ 578,223	17.7%
Depreciation	\$ 219,975	\$ 9,115	\$ 46,302	\$ 4,157	\$ 3,621	\$ 5,277	\$ 32,406	\$ -	\$ -	\$ 39,083				\$ 139,961	\$ -80,014	-36.4%
Other Expense	\$ 270,029	\$ 63,974	\$ 30,617	\$ 43,481	\$ 9,465	\$ 49,101	\$ 10,425	\$ 3,090	\$ 127,092	\$ 127,750				\$ 464,995	\$ 194,966	72.2%
Total Expenses	\$ 19,447,535	\$ 2,772,186	\$ 2,478,655	\$ 1,431,672	\$ 5,608,692	\$ 1,808,127	\$ 2,199,947	\$ 2,185,592	\$ 2,087,015	\$ 3,762,087				\$ 24,333,973	\$ 4,886,438	25.1%
Allocation of Admin Expense	0	781,951	554,688	272,018	909,388	337,772	288,606	241,938	375,725	-3,762,087				0	0	0.0%
Overhead Allocation	\$ 6,262,016	\$ 837,477	\$ 1,108,702	\$ 657,137	\$ 1,914,807	\$ 754,893	\$ 918,478	\$ 930,844	\$ 846,076	\$ 0				\$ 7,968,415	\$ 1,706,399	27.2%
Total Expenses	\$ 25,709,551	\$ 4,391,615	\$ 4,142,046	\$ 2,360,828	\$ 8,432,888	\$ 2,900,792	\$ 3,407,031	\$ 3,358,374	\$ 3,308,815	\$ -				\$ 32,302,388	\$ 6,592,837	25.6%
Net Income (Loss)	\$ (12,875,709)	\$ (1,164,275)	\$ (1,728,630)	\$ (1,247,342)	\$ (4,596,624)	\$ (1,321,834)	\$ (1,233,190)	\$ (2,645,753)	\$ (2,103,172)	\$ -				\$ (16,040,819)	\$ (3,165,110)	-24.6%

San Joaquin General Hospital-FQHC LAL Clinics
DRAFT Budget, Fiscal Year 2018-2019

Key Ratios	2018 - 2019 Budget										Total
	Children's Health Services (#7080)	Family Medicine (#7092)	Family Practice Calif St (#7093)	Primary Medicine (#7096)	Healthy Beginnings California Street (#7182)	Healthy Beginnings French Camp (#7183)	Hazelton Clinic (#7184)	Manteca (#7085)	FQ Admin		
Net Pt Rev as % of Gr Rev	65.6%	69.2%	65.1%	67.1%	74.3%	119.8%	46.8%	51.0%	0.0%	68.7%	
Benefits as a % of Salaries	38.0%	45.3%	51.4%	37.7%	50.1%	34.8%	50.6%	35.6%	75.9%	42.8%	
Overhead % of Direct Exp	30.2%	44.7%	45.9%	34.1%	41.8%	41.8%	42.6%	40.5%	0.0%	32.7%	
Gross Revenue per Visit	\$ 188.69	\$ 270.86	\$ 180.07	\$ 168.95	\$ 232.79	\$ 187.74	\$ 205.45	\$ 222.71	\$ -	\$ 203.84	
Net Revenue per Visit	\$ 128.88	\$ 177.76	\$ 124.58	\$ 113.32	\$ 173.04	\$ 224.85	\$ 96.22	\$ 113.63	\$ -	\$ 140.10	
Direct Costs/Visit	\$ 195.29	\$ 195.76	\$ 156.58	\$ 192.55	\$ 235.17	\$ 257.40	\$ 327.78	\$ 232.11	\$ -	\$ 209.65	
Indirect Costs/Visit	\$ 62.88	\$ 46.13	\$ 57.23	\$ 56.56	\$ 82.73	\$ 95.00	\$ 125.69	\$ 79.74	\$ -	\$ 68.65	
Total Medical Cost/Visit	\$ 258.17	\$ 241.88	\$ 213.81	\$ 249.11	\$ 317.90	\$ 352.40	\$ 453.47	\$ 311.86	\$ -	\$ 278.30	
Total Cost/Patient (1)	\$ 645.43	\$ 604.71	\$ 534.51	\$ 622.78	\$ 794.74	\$ 881.01	\$ 1,133.67	\$ 779.65	\$ -	\$ 695.75	
Net Income(Loss)/Visit	\$ (129.30)	\$ (64.13)	\$ (89.23)	\$ (135.79)	\$ (144.86)	\$ (127.55)	\$ (357.24)	\$ (198.23)	\$ -	\$ (138.20)	
Payor Mix											
Medicare	13.0%	0.0%	11.3%	18.4%	2.4%	2.6%	5.1%	7.4%	0.0%	8.7%	
Medi-Cal	14.0%	12.3%	8.6%	3.5%	27.9%	20.9%	33.6%	15.5%	0.0%	12.7%	
Medi-Cal Managed Care	69.1%	86.6%	73.6%	74.5%	67.1%	71.9%	49.0%	71.5%	0.0%	74.2%	
Insurance	1.3%	0.4%	1.5%	1.2%	1.2%	2.2%	6.1%	1.6%	0.0%	1.5%	
Self Pay	2.5%	0.6%	4.9%	2.4%	1.5%	2.3%	6.2%	4.0%	0.0%	2.8%	
Indigent	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	

(1) Average Visits per Patient is 2.5 per the ACS Director

San Joaquin General Hospital - FQHC LAL
Budget Fiscal Year 2018-19
Requested Capital Items

Clinic	Capital Item	Quantity	Amount
7185 SJCC Manteca	Avalon FM20 Fetal Monitor	1	\$ 9,500
7185 SJCC Manteca	Sono Site Ultrasound System	1	29,900
			\$ 39,400

KEY PERFORMANCE INDICATORS				
	Target	5/24/2018 eCW	5/24/18 PWPM	SJCC Totals
SJCC Business Office				
Cash Collections	Actual	\$59,808	\$39,257	\$99,065
Open Receipt Batches		N/A	\$96,515	\$96,515
Unposted ERA's		N/A	\$526,847	\$526,847
Gross AR		\$604,728	\$2,444,618	\$3,049,346
Gross AR Days (90 day average)	66.5	12.9	49.6	61.9
Average Daily Revenue (90 day average)		\$46,892	\$49,259	\$49,259
Wrap AR		\$420,275	\$791,911	\$1,212,186
AR over 90 Days		\$508,496	\$0	\$508,496
% of AR over 90 Days		84%	0%	17%
AR over 120 Days		\$423,572	\$0	\$423,572
% of AR over 120 Days		70%	0%	14%
AR over 180 Days		\$205,173	\$0	\$205,173
% of AR over 180 Days		34%	0%	7%
AR over 365 Days		\$76,140	\$0	\$76,140
% of AR over 365 Days		13%	0%	2%
Credit Balance Total (EOM 4/30/2018)		\$44,347	\$507	\$44,854
Total Not Coded		N/A	\$ 96,515	\$96,515
Total Claims Produced Today		N/A	\$ 56,182	\$56,182
Total Number of claims for month		2,051	5,173	7,224
Total Number of clean claims for month		1,936	5,092	7,028
Total number of error claims for month		115	81	196
Clean Claims from ClaimRemedi/Trizetto	>85%	94%	98%	97%

eCW

eCW Accounts will be outsourced to Healthcare Resource Group on 6-1-18. They will work down the A/R, billing and collecting
A project was assigned to the eCW billers from Diana Surber's spreadsheet to work aging claims that were approaching the reduction in payment from Medi-Cal.

PWPM

PWPM went live on 3/5/18 along with the new claim scrubber Trizetto
Medi-Care for Manteca is holding for EDI enrollment. This issue should be resolved shortly, as Debbie Perry is currently in contact with both Medi-Cal and MediCare.
PWPM is currently generating patient statements

CASH

Current unposted cash total is \$8,572,519.75, which includes \$38,256.15 received in April and \$8,534,263.60 received in May (This is for ALL four billing systems)

San Joaquin County Clinics

Director's Report

May 29, 2018

VFC/VFA

We get our children's vaccines at no cost for most of the vaccines children need through the VFC (Vaccines for Children) program. Manteca site is authorized for VFC now. FMC is in the process but has to go through the refrigerator proof of consistent temperatures process and should be audited within about two weeks. FMC will have the largest impact in cost savings on vaccines (nearly \$300,000 per year).

Family Planning – Manteca

The original Family Planning enrollment application was denied because "we are not an FQHC". The Medi-Cal Provider enrollment office confirmed to me that San Joaquin County Clinic in Manteca shows in their computer as an FQHC. Debbie Perry at the Hospital got a different answer. So we are still searching for the source of the error. A new Family Planning application is prepared and Debbie Perry is having conversations with the Family Planning enrollment folks.

WIC

WIC (Women, Infants and Children) program is now operating at French Camp. WIC has had a catastrophic fire at their Manteca site and so is looking for space to serve their clients. They are considering co-locating in our Manteca office temporarily and move into the Space next door (recently Quest Lab office). They will look at the space we can offer them and make a decision within the next week or two.

Monthly Statistical Report:

Our Monthly visits were:

	<u>Encounters</u>	<u>Work Days</u>	<u>Visits/Day</u>
Jan	9,855	22	448
Feb	8,878	20	444
Mar	6,743	22	307
Apr	8,086	21	385

The visits dropped as expected in March with the Cerner implementation, but have since returned to close to normal. We are experiencing the every visit is a new patient phenomenon because any patient who has not been here since the start of Cerner has to have all of the data re-entered such as medications, allergies, pharmacy of choice, unresolved diagnoses, etc. So staff are trying to do pre-visit planning in which available staff pre-enter this data for the appointment scheduled in the next day or two to avoid having the provider do it at the visit.

Physician Additions:

In April we added Dr. Tha to Family Practice on California Street.

Sunlight Giving Foundation

The Sunlight Giving Foundation has approved a \$75,000 grant for this coming year. During the application process, they asked how we would use it and we said we could hire needed staff in advance and build it into the succeeding year's budget. The Project manager left the foundation the day of the grant, so we will have to wait for a new project manager to work with.