

SAN JOAQUIN COUNTY
Clinics
Board Finance Committee Agenda

October 25, 2021, 5:00 p.m.

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Conference ID: 644 208 056#

Agenda

- | | | | |
|----|--|-------------|----------------|
| 1. | Call to order | Rod Place | 1 min |
| 2. | Approval of Minutes from 9/27/21 | * Rod Place | 1 min |
| 3. | Introductions | Rod Place | 1 min |
| 4. | Presentation of Financials | Kris Zuniga | 20 mins |
| 5. | Status of 2020 & 2021 Audits | Kris Zuniga | 1 min |
| 6. | Finance Committee Structure for 2021-22 | Rod Place | 10 min |
| | a. Committee Schedule (date, time, length, etc.) | | |
| | b. Committee Structure (chair, members) | | |
| 7. | Adjournment | Rod Place | 1 min |

*** Action Item**

Next Meeting: November 29, 2021 at 5:00 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 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.

Minutes of September 27, 2021
San Joaquin County Clinics Board of Directors – Finance Committee

Board Members Present:

Alicia Yonemoto (SJCC Board Member); Esgardo Medina (SJCC Treasurer); Rod Place (SJCC Board Chair); Paul Antigua (SJCC Board Member); Charson Chang (SJCC Board Member); Brian Heck (SJCC Board Member)

Board Members Excused Absent:

none

Board Members Unexcused Absent:

Luz Maria Sandoval (SJCC Board Member)

Guests: Farhan Fadoo (SJCC CEO); Alice Souligne (SJCC COO); Kris Zuniga (SJCC CFO); Michael Allen (SJCC Board Clerk)

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Rod Place, SJCC Board Chair)</u> The meeting was called to order at 5:04 p.m. A quorum was established for today's meeting.</p>	No attachments	No action required
<p>2. <u>Approval of Minutes from 8/30/21 (Rod Place, SJCC Board Chair)</u> A quorum was established and the minutes from the previous Finance meeting were adopted.</p>	(Attachment 2) Finance Committee Meeting Minutes from 8/30/21	Esgardo motioned to approve Finance Committee Meeting Minutes from 8/30/21 and Paul seconded; motion was passed unanimously
<p>3. <u>Introductions (Rod Place, SJCC Board Chair)</u> Brief introduction of Paul Antigua and Dr. Charson Chang.</p>	No attachments	No action required
<p>4. <u>Presentation of Financials (Kris Zuniga, SJCC CFO)</u> Reviewed 24 month rolling billable visit timeline.</p> <p>Reviewed Health Plan of San Joaquin (HPSJ) membership assignments. Membership is trending upward over the calendar year, from 39,144 in January to 41,270 in August.</p> <p>Reviewed SJCC Income Statement. There was a favorable variance of \$651,010. Grant revenue showed an unfavorable variance of \$270,278, but total operating revenue was a favorable variance of \$420,257. Salaries, benefits, and professional fees came in under budget. Professional Fees, Purchased Services, Depreciation, Interest, and Other Expenses all had unfavorable variances, making Net Income \$52,237. When the MOU with San Joaquin General Hospital (SJGH) is finalized, actual expenses will more closely align with the budget</p> <p>SJCC Balance Sheet was reviewed.</p> <p>SJCC Statement of Cash Flows was reviewed. Total cash flows from operating activities was \$8,964,473, with an Ending Cash Balance of \$10,274,204.</p> <p>Compared SJCC August 2021 Financials to Capital Link FQHC benchmarks. Operating margin target is >1-3% and SJCC was at 6%. Bottom line margin target is >3% and SJCC was at 6%. Days cash on hand target is >30-45 days and</p>	CFO Presentation - 2021-08	No action required

<p>SJCC was at 94 days. Days in net patient receivables target was <60 days and SJCC was at 33 days. Personnel-related expense target is <70% and SJCC is at 72%.</p>		
<p>5. <u>Accounts Receivable Status (Kris Zuniga, SJCC CFO)</u> Reviewed Accounts Receivable Analysis for August 2021. Ending gross A/R is \$2,714,148. Gross A/R Days have reduced to 28, and net A/R Days are at 33. Yearly average of days to submit billing is 10 days, with total average collection time of 36 days.</p>	<p>No attachments</p>	<p>No action required</p>
<p>6. <u>SJCC Financial Management Policies</u> Reviewed SJCC Financial Management Policy Manual, including infrastructure policies, revenue cycle policies, and receipts and disbursement policies.</p>	<p>Financial Management Policy Manual; SJCC Financial Management Policies</p>	
<p>7. <u>Status of 2020 & 2021 Audits (Kris Zuniga, SJCC CFO)</u></p>	<p>No attachments</p>	<p>No action required</p>
<p>8. <u>Adjournment</u> There being no further topics of discussion, Rod Place adjourned the meeting at 6:10 p.m.</p>	<p>No attachments</p>	<p>No action required</p>



San Joaquin County Clinics
Financial Statement Comments
September 2021

Summary of Clinics Year to Date

Billable visits for September are favorable to budget by 197 visits. Net Patient Revenues are \$153,077 greater than budget. YTD financials reflect a PPS reconciliation liability accrual of \$75,000. YTD Medi-Cal payments for \$912,247 have been reflected on the Balance Sheet for FY2015, FY2016, and FY2017 according to the payment plan with DHCS. YTD Income Statement includes interest expense of \$53,860 for PPS liability payments made to DHCS for FY2015, FY2016, and FY2017. YTD financials includes \$8.1M payment from SJGH related to the finalization of FY2020 financial statement audit and according to the separation agreement between SJGH and SJCC.

YTD results include \$37,473 in DHCS recoveries for overpaid Code 18 Wrap payments for the period of October 2020 through December 2020.

YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$2,903,510. Other Revenue includes combined Grants Revenue for Essential Access Title X and American Rescue Plan (ARP) grants for \$281,022. Other Income includes the YTD Capitation Revenue with an unfavorable variance to budget by \$15,976 due to a slight decline in capitation payment rate per member. Also, Other Income includes the 340B Pharmacy Program revenue for \$409,311 and the program related expenses for \$268,537 are included in Supplies & Other Expenses categories on the financials. September financials reflect First Responder Program revenue for \$8,600. YTD Other Revenue includes revenues accrued for \$175,744 related to Purchased Services provided to SJGH by SJCC per the MOU. Total Net Operating Revenues are favorable to budget by \$490,322.

YTD Salaries and benefits expenses exhibit a favorable variance to budget of \$273,090. Other operating expenses exhibit an unfavorable variance of \$791,147 largely due to Professional Fees and Other Expenses favorable variance of \$1,298,355 mainly offset by unfavorable variance in Purchased Services, Supplies, Interest and Miscellaneous Expenses \$2,089,502. An estimated expense for the Purchased Services is recorded from July through September based on the MOU.

Unaudited, as presented, Net Income of \$412,775 on a year-to-date basis is unfavorable compared to budget by \$27,735.

Additional Factors Impacting Clinic Performance Presentation

- Supplemental revenues are estimates based on the Master MOU between SJCC and SJ County.

Other Material Notes

- SJGH has submitted to its independent auditor history-to-date financial adjustments which effectively have resulted in SJCC being a breakeven operation as of 6/30/2020.



SAN JOAQUIN COUNTY CLINICS

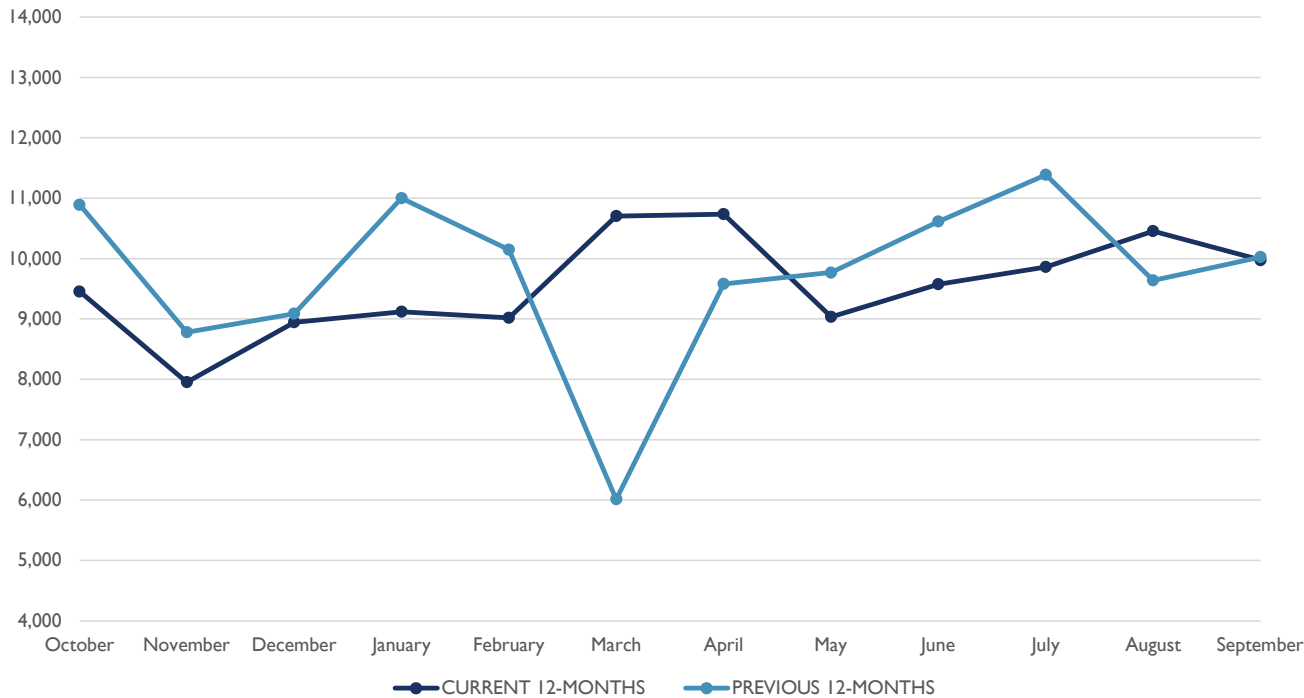
CFO PRESENTATION

Kris Zuniga
Chief Financial Officer
Presentation Date: 10/26/2021

ROLLING 12-MONTH BILLABLE VISITS

	October	November	December	January	February	March	April	May	June	July	August	September
CURRENT 12-MONTHS	9,455	7,954	8,944	9,120	9,018	10,703	10,737	9,032	9,574	9,859	10,453	9,975
PREVIOUS 12-MONTHS	10,892	8,780	9,089	11,000	10,146	6,010	9,582	9,768	10,612	11,389	9,638	10,025

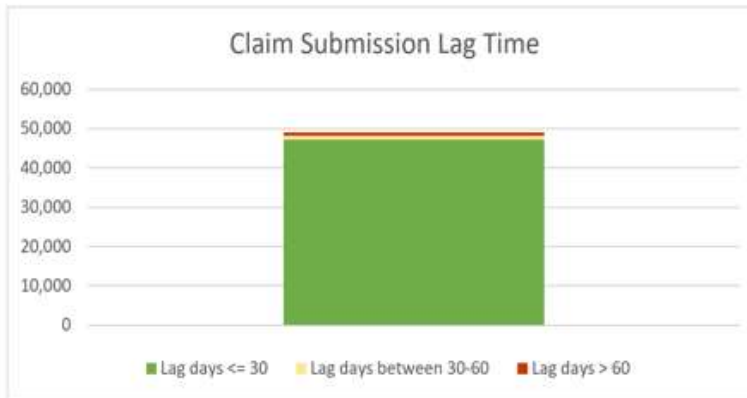
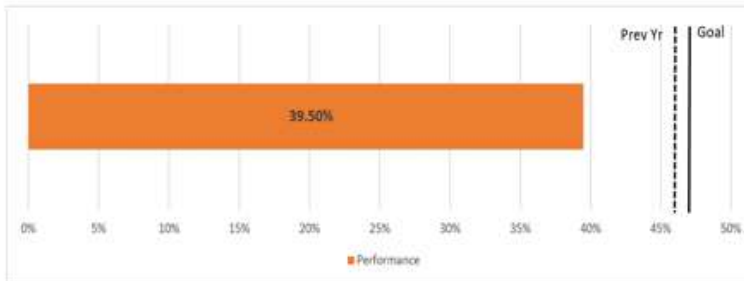
ROLLING 12-MONTH TRENDS - BILLABLE VISITS



Visits by Financial Class	%
Medi-Cal Managed Care	75.38%
Medicare	10.62%
Medi-Cal	9.24%
Self-Pay	3.08%
Commercial	1.68%
Total	100.00%

HEALTH PLAN OF SAN JOAQUIN MEMBERSHIP ASSIGNMENTS CALENDAR YTD AS OF SEPTEMBER 2021

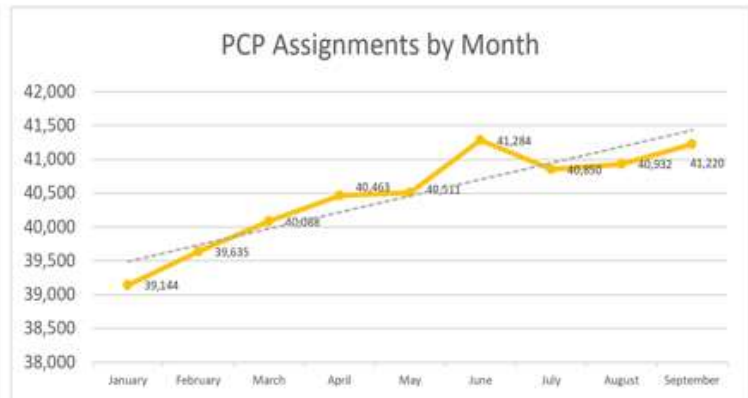
Year	Panel Size	Panel Seen	Goal	% Goal	Performance
2020	37,109	17,048	18,753	50.53%	45.94%
2021	40,590	16,034	19,077	47.00%	39.50%



Average Submission Lag: 7.2 Days

Panel Metrics for San Joaquin County Clinics

Average Panel Size	40,590
Current Month Panel Size	41,220
Calendar YTD Panel Seen Count	16,034
Calendar YTD % Panel Seen	39.5%
Goal to Panel Seen Count	19,077
PCP Claim Count	49,131



SJCC INCOME STATEMENT – SEPTEMBER 2021

	Current Period Actual	Current Period Budget - Original	Current Period Budget Variance - Original	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original
Operating Revenue						
Net Patient Service Revenue	1,428,434	1,275,357	153,077	4,846,109	3,826,071	1,020,038
Supplemental Revenue	967,837	967,837	(0)	2,903,510	2,903,510	(0)
Grant Revenue	281,022	270,278	10,744	281,022	810,835	(529,813)
Miscellaneous Income	52,080	63,518	(11,438)	176,115	190,553	(14,438)
Other Income	651,393	613,833	37,560	1,856,035	1,841,500	14,535
Total Operating Revenue	<u>3,380,765</u>	<u>3,190,823</u>	<u>189,943</u>	<u>10,062,791</u>	<u>9,572,469</u>	<u>490,322</u>
Expenditures						
Salaries & Wages	1,266,435	1,282,091	15,656	3,934,139	3,846,274	(87,865)
Employee Benefits	631,823	819,409	187,586	2,097,272	2,458,227	360,955
Professional Fees	189,025	618,081	429,056	560,842	1,854,243	1,293,401
Purchased Services	532,578	172,707	(359,871)	1,317,407	518,121	(799,286)
Supplies	158,340	39,431	(118,910)	347,777	118,292	(229,485)
Depreciation	18,858	20,509	1,651	56,574	61,527	4,953
Interest	32,887	4,298	(28,590)	76,458	12,893	(63,565)
Other Expenses	504,553	87,461	(417,093)	1,259,547	262,382	(997,165)
Total Expenditures	<u>3,334,500</u>	<u>3,043,986</u>	<u>(290,514)</u>	<u>9,650,016</u>	<u>9,131,959</u>	<u>(518,057)</u>
Net Income(Loss)	<u>46,266</u>	<u>146,837</u>	<u>(100,571)</u>	<u>412,775</u>	<u>440,510</u>	<u>(27,735)</u>

	PERIOD 0	JULY 2021	AUGUST 2021	SEPTEMBER 2021
Assets				
Cash & Cash Equivalents	2,266,991	2,274,759	10,274,204	11,439,672
Accounts Receivable	1,786,574	1,567,532	1,544,418	1,652,978
Inventory	11,250	(36,414)	(60,467)	0
Property & Equipment	1,411,298	1,391,984	1,373,582	1,354,724
Other Assets	19,828,212	23,025,945	17,992,367	19,543,137
Total Assets	<u>25,304,325</u>	<u>28,223,807</u>	<u>31,124,104</u>	<u>33,990,511</u>
Liabilities				
Accounts Payable	396,672	610,273	721,439	923,594
Other Liabilities	15,087,742	17,626,124	19,616,244	21,834,230
Deferred Revenue			600,000	1,000,000
Total Liabilities	<u>15,484,414</u>	<u>18,236,396</u>	<u>20,937,683</u>	<u>23,757,824</u>
Net Assets				
Beginning Net Assets	9,819,912	9,819,912	9,819,912	9,819,912
Current YTD Net Income	0	167,499	366,510	412,775
Total Net Assets	<u>9,819,912</u>	<u>9,987,411</u>	<u>10,186,421</u>	<u>10,232,687</u>
Total Liabilities and Net Assets	<u>25,304,325</u>	<u>28,223,807</u>	<u>31,124,104</u>	<u>33,990,511</u>

SJCC BALANCE SHEET

SEPTEMBER 2021

SJCC STATEMENT OF CASH FLOWS

SEPTEMBER 2021

	<u>JULY 2021</u>	<u>AUGUST 2021</u>	<u>SEPTEMBER 2021</u>	<u>CURRENT YEAR</u>
Net Income	<u>167,499</u>	<u>199,011</u>	<u>46,266</u>	<u>412,775</u>
Cash Flows from Operating Activities				
Operating Activities				
Depreciation Expense	19,313	18,402	18,858	56,574
Dec/(Inc) in Accounts Receivable	219,042	23,114	(108,559)	133,596
Dec/(Inc) in Grants Receivable	0	0	(33,502)	(33,502)
Dec/(Inc) in Other Receivables	(3,197,733)	5,033,578	(1,517,268)	318,578
Dec/(Inc) in Inventories	47,664	24,053	(60,467)	11,250
Inc/(Dec) in Accounts Payable	213,601	111,166	202,155	526,922
Inc/(Dec) in Payroll Liabilities	1,994,504	1,386,851	1,308,522	4,689,878
Inc/(Dec) in Other Liabilities	<u>545,838</u>	<u>1,222,679</u>	<u>1,346,718</u>	<u>3,115,235</u>
Total Operating Activities	<u>(157,771)</u>	<u>7,819,844</u>	<u>1,156,457</u>	<u>8,818,530</u>
Cash Flows from Financing Activities				
Inc/(Dec) in Debt	<u>(1,960)</u>	<u>(19,410)</u>	<u>(37,254)</u>	<u>(58,624)</u>
Total Financing Activities	<u>(1,960)</u>	<u>(19,410)</u>	<u>(37,254)</u>	<u>(58,624)</u>
Net Inc/(Dec) in Cash	7,768	7,999,445	1,165,468	9,172,681
Beginning Cash Balance	<u>2,266,991</u>	<u>2,274,759</u>	<u>10,274,204</u>	<u>2,266,991</u>
Ending Cash Balance	<u>2,274,759</u>	<u>10,274,204</u>	<u>11,439,672</u>	<u>11,439,672</u>

SJCC BILLING & COLLECTIONS

A/R AGING SEPTEMBER 2021

SJCC Accounts Receivable Aging Analysis For the Month of September 2021									
Aging Category	MediCare	MediCal	Commercial	Self Pay	Total Aging This Month	Total Aging Last Month	\$ Increase (Decrease)	% Increase (Decrease)	
1-30 Days	183,594	1,849,756	40,822	24,990	2,099,162	1,774,573	324,589	18.29%	
31-60 Days	82,985	173,439	29,530	20,462	306,416	208,237	98,179	47.15%	
61-90 Days	54,446	52,389	15,595	14,359	136,789	200,305	(63,516)	-31.71%	
91-120 Days	37,967	54,911	14,399	3,020	110,296	152,733	(42,437)	-27.78%	
121-180 Days	35,639	91,054	28,709	3,655	159,056	220,458	(61,402)	-27.85%	
181-240 Days	24,845	47,394	20,125	2,495	94,860	80,744	14,116	17.48%	
241-270 Days	9,047	5,784	9,592	394	24,817	25,321	(504)	-1.99%	
271-365 Days	(15,150)	10,820	8,137	763	4,571	8,795	(4,224)	-48.03%	
366 Days & Over	(15,884)	21,040	41,900	(2,173)	44,883	42,981	1,902	4.43%	
Total FC This Month	13%	77%	7%	2%	397,489	2,980,851	266,703	9.83%	
Total FC Last Month					463,490	2,714,148			
\$ Increase (Decrease)	(66,001)	346,027	8,340	(21,663)	266,703				
% Increase (Decrease)	-14.24%	17.65%	4.16%	-24.17%	9.83%				
Monthly Management Summary									
	Beginning	Charges	Payments	Adjustments	Ending Gross				
September Activity	2,714,148	2,821,031	(1,353,687)	(1,200,641)	2,980,851				
A/R Days Analysis									
	September	August	July	June	May	April	March	Increase (Decrease)	
Gross A/R Days	32	28	36	34	27	30	32	4	
Net A/R	1,652,978	1,574,249	1,992,113	1,766,997	1,262,842	1,396,758	1,396,885	78,729	
Net A/R Days	31	33	44	42	24	29	31	(2)	

SJCC BILLING & COLLECTIONS

COLLECTION TIME SEPTEMBER 2021

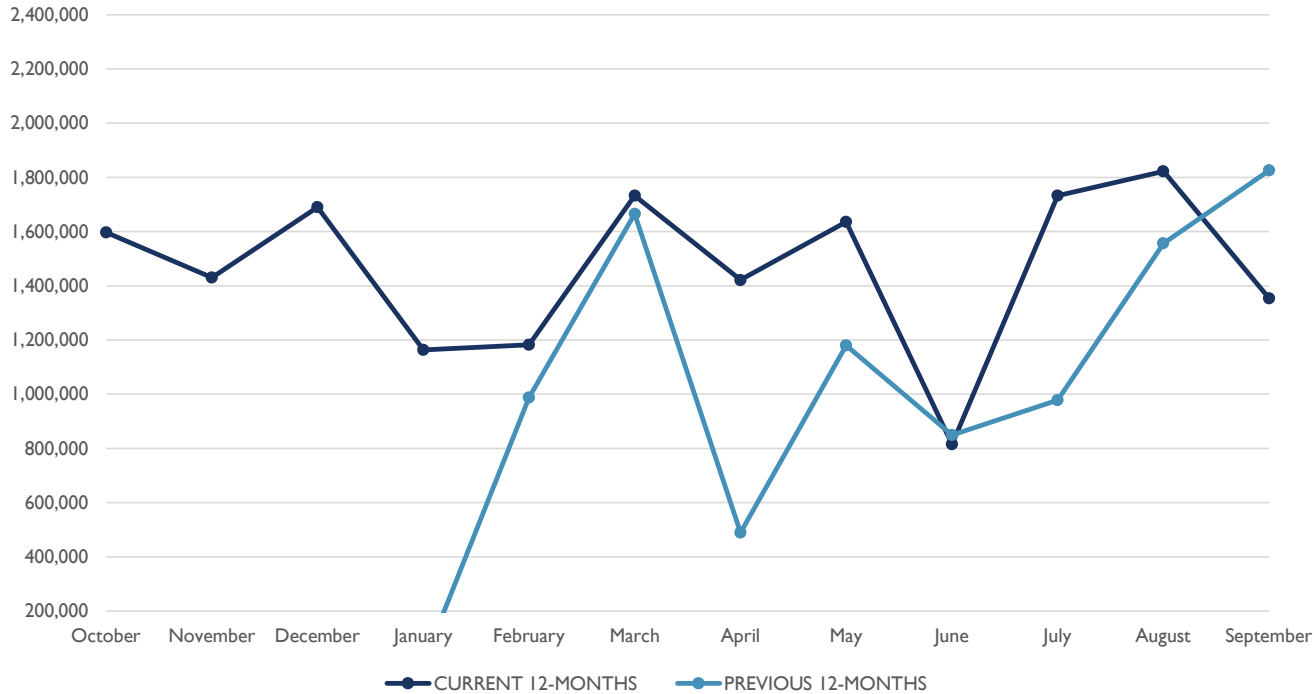
AVERAGE COLLECTION TIME ON PAID ACCOUNTS BY DATE OF SERVICE

Row Labels	Average of Service to Claim	Average of Claim to Payment	Average of Collection Time
2020-10	8.52	40.79	49.31
2020-11	8.46	27.64	36.10
2020-12	10.95	22.95	33.91
2021-01	19.64	27.85	47.49
2021-02	18.77	23.93	42.70
2021-03	15.58	25.80	41.38
2021-04	9.12	23.65	32.76
2021-05	8.91	24.50	33.41
2021-06	7.39	23.16	30.55
2021-07	5.66	20.86	26.52
2021-08	4.01	17.38	21.39
2021-09	5.07	15.21	20.28
Grand Total	10.17	24.48	34.65

ROLLING 12-MONTH EMMI CASH COLLECTED

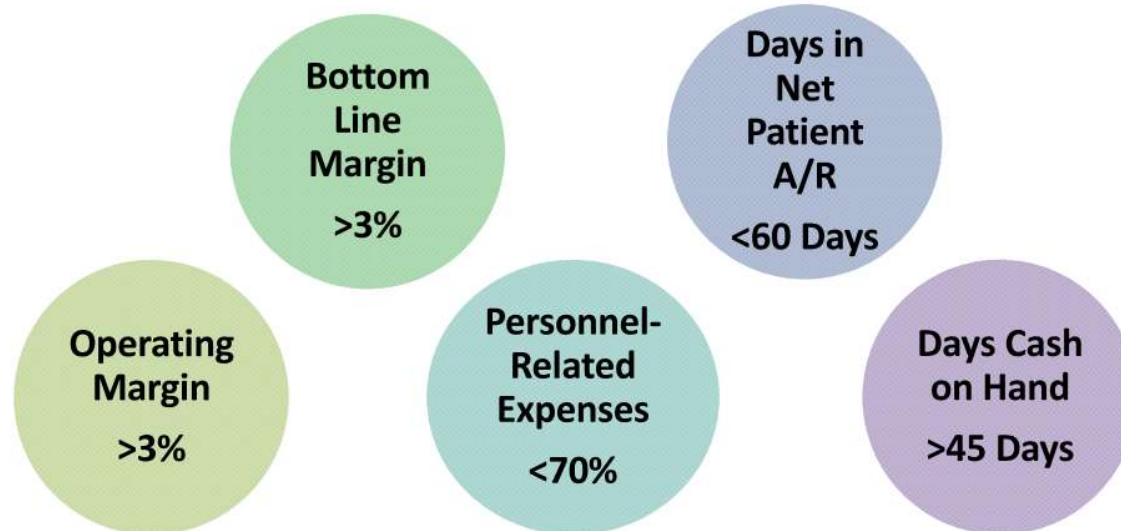
	October	November	December	January	February	March	April	May	June	July	August	September
CURRENT 12-MONTHS	1,596,943	1,429,989	1,690,049	1,163,930	1,182,200	1,732,058	1,421,367	1,635,817	815,474	1,732,142	1,822,825	1,353,687
PREVIOUS 12-MONTHS	0	0	0	8,127	987,392	1,664,820	488,964	1,180,425	849,688	977,846	1,556,202	1,826,205

ROLLING 12-MONTH TRENDS - CASH COLLECTED



FY22 Collections By Financial Class	%
Medi-Cal Managed Care	69.23%
Medi-Cal	21.82%
Medicare	8.17%
Self-Pay	0.54%
Commercial	0.25%
Total	100%

Key Financial Metrics: Capital Link Industry Guidelines



CAPITAL LINK FQHC FINANCIAL BENCHMARKS VS SJCC

DATA SUMMARY	Capital Link Target	2019 National Median	2019 CA Median	SJCC September 2021	SJCC FYTD FY22
FINANCIAL HEALTH					
1 Operating Margin As a % of Operating Revenue	>1-3%	2.0%	2.5%	1%	4%
2 Bottom Line Margin As a % of Operating Revenue	>3%	3.4%	3.5%	1%	4%
3 Days Cash on Hand	>30-45 Days	67	77	104	99
4 Days in Net Patient Receivables	<60 Days	38	38	31	31
5 Personnel-Related Expense (PRE) As a % of Operating Revenue	<70	72.7%	74.9%	77%	79%

QUESTIONS & ANSWERS

