

SAN JOAQUIN COUNTY
Clinics
Board Finance Committee Agenda

December 27, 2021, 5:00 p.m.

[Click here to join the meeting](#)

[+1 209-645-4071](#) United States, Stockton (Toll)

Conference ID: 644 208 056#

Agenda

- | | | | |
|----|-----------------------------------|----------------|----------------|
| 1. | Call to order | Paul Antigua | 1 min |
| 2. | Approval of Minutes from 11/29/21 | * Paul Antigua | 1 min |
| 3. | Presentation of Financials | Kris Zuniga | 20 mins |
| 4. | Status of 2020 & 2021 Audits | Kris Zuniga | 5 mins |
| 5. | Adjournment | Paul Antigua | 1 min |

*** Action Item**

Next Meeting: TBD January, 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 November 29, 2021

San Joaquin County Clinics Board of Directors – Finance Committee

Board Members Present:

Paul Antigua (SJCC Treasurer); Charson Chang (SJCC Board Member); Farhan Fadoo (SJCC CEO); Monica Fuentes (SJCC Board Member); Escardo Medina (SJCC Board Member)

Board Members Excused Absent:

Rod Place (SJCC Chair)

Board Members Unexcused Absent:

None

SJCC Staff: Alice Souligne (SJCC COO); Kris Zuniga (SJCC CFO); Michael Allen (SJCC Board Clerk)

Guests: David Culberson (SJGH CEO)

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Paul Antigua, SJCC Treasurer)</u> The meeting was called to order at 5:06 p.m. A quorum was established for today's meeting.</p>	No attachments	No action required
<p>2. <u>Approval of Minutes from 10/25/21 (Paul Antigua, SJCC Treasurer)</u> A quorum was established and the minutes from the previous Finance meeting were adopted.</p>	Finance Committee Minutes 2021-10-25	Esgardo motioned to approve the minutes and Monica seconded; minutes were approved unanimously
<p>3. <u>Introductions (Paul Antigua, SJCC Treasurer)</u> Paul introduced himself and noted his experience as CFO for VHP & HPSJ. Monica introduced herself and noted her psychiatric teaching experience at Delta College. Esgardo introduced himself and noted his experience in the medical field.</p>	No attachments	No action required
<p>4. <u>Presentation of Financials (Kris Zuniga, SJCC CFO)</u> Billable visits for October are unfavorable to budget by 611 visits. Net Patient Revenues are \$59,928 greater than budget. YTD financials reflect a PPS reconciliation liability accrual of \$100,000. YTD Medi-Cal payments for \$1,473,250 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 \$71,813 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.</p> <p>YTD results include \$37,473 in DHCS recoveries for overpaid Code 18 Wrap payments for the period of October 2020 through December 2020.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$3,988,660. Other Revenue includes combined Grants Revenue for Essential Access Title X, Health Net and American Rescue Plan (ARP) grants for \$298,280. Other Income includes the YTD Capitation Revenue with an unfavorable variance to budget by \$17,516 due to a slight decline in enrolled members. Also, Other Income includes the 340B Pharmacy</p>	CFO Presentation 2021-10	No action required

<p>Program revenue for \$549,145 and the program related expenses for \$329,619 are included in Supplies & Other Expenses categories on the financials. YTD financials reflect First Responder Program revenue for \$11,200. YTD Other Revenue includes revenues accrued for \$226,639 related to Purchased Services provided to SJGH by SJCC per the MOU. Total Net Operating Revenues are favorable to budget by \$415,332.</p> <p>YTD Salaries and benefits expenses exhibit a favorable variance to budget of \$494,870. Other operating expenses exhibit an unfavorable variance of \$1,022,111 largely due to Professional Fees and Other Expenses favorable variance of \$502,866 mainly offset by unfavorable variance in Purchased Services, Supplies, Interest and Miscellaneous Expenses \$1,524,977. An estimated expense for the Purchased Services is recorded from July through September based on the MOU.</p> <p>Unaudited, as presented, Net Income of \$475,437 on a year-to-date basis is unfavorable compared to budget by \$111,909.</p> <p>Kris noted increasing PCP assignments over the last 18 months.</p> <p>Capital Link benchmarks are all being met, with the exception of personnel-related expenses (PRE), which is expected for a County organization.</p> <p>Paul discussed some procedural clarifications regarding when financials are accepted. It was decided that no vote is necessary at the Finance committee, but that the Treasurer will make the recommendation to accept at the general Board meeting.</p>		
<p>5. <u>Status of 2020 & 2021 Audits (Kris Zuniga, SJCC CFO)</u> Independent audit reports due by September 2022 and are on track for timeliness.</p>	No attachments	No action required
<p>6. <u>Finance Committee Structure for 2021-22 (Paul Antigua, SJCC Treasurer)</u> Paul noted current timing and length of meetings and it was decided to keep the Finance committee as is.</p>	No attachments	No action required
<p>7. <u>Adjournment</u> There being no further topics of discussion, Paul Antigua adjourned the meeting at 5:31 p.m.</p>	No attachments	No action required

SAN JOAQUIN COUNTY CLINICS

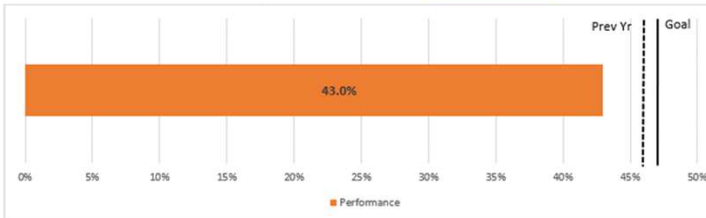
CFO PRESENTATION

Kris Zuniga
Chief Financial Officer
Presentation Date: 12/28/2021

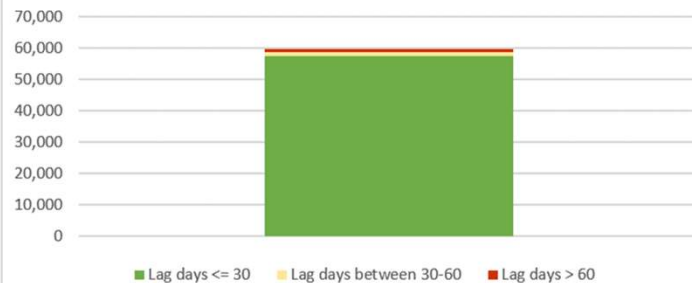
HEALTH PLAN OF SAN JOAQUIN MEMBERSHIP ASSIGNMENTS CALENDAR YTD AS OF NOVEMBER 2021

San Joaquin County Clinics

Year	Panel Size	Panel Seen	Goal	% Goal	Performance
2020	37,109	17,048	18,753	50.53%	45.94%
2021	40,700	17,496	19,170	47.10%	43.0%



Claim Submission Lag Time

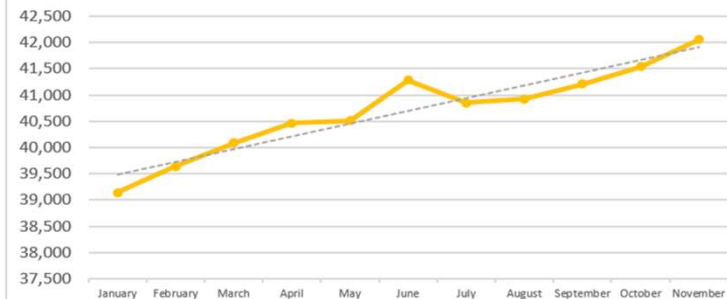


Average Submission Lag: 7.2 Days

Panel Metrics for San Joaquin County Clinics

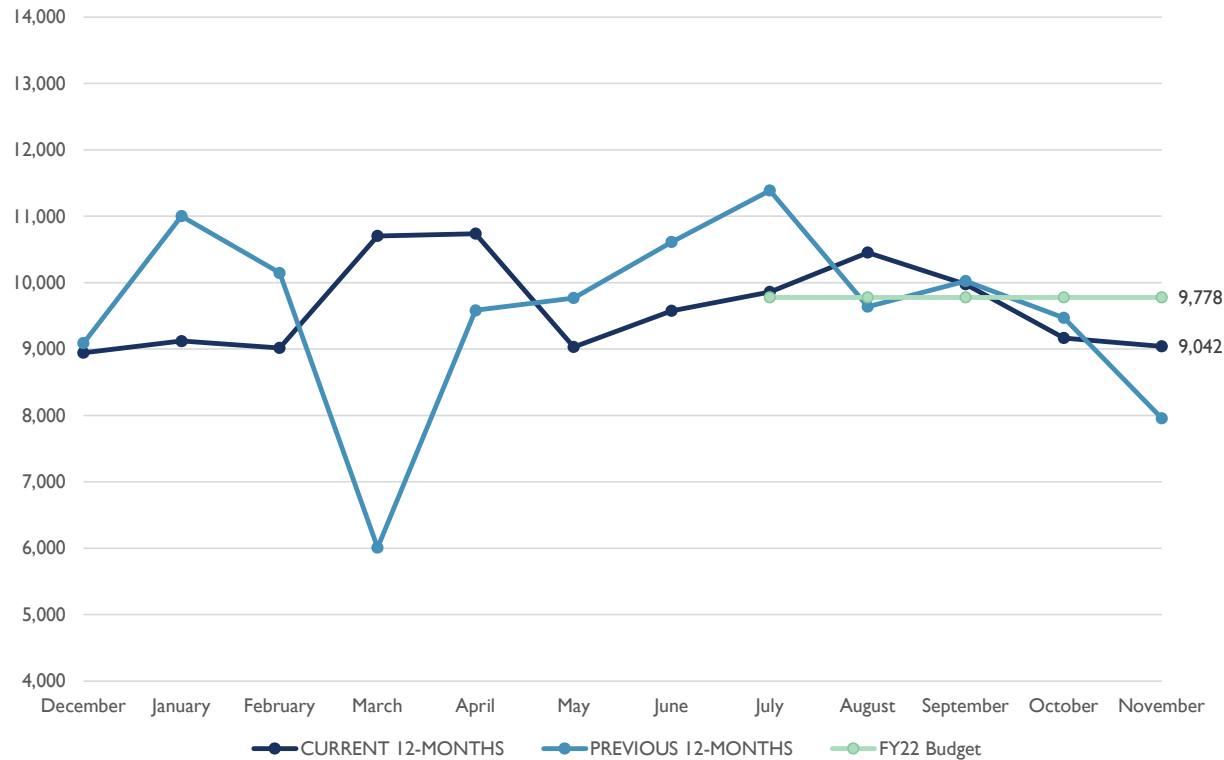
Average Panel Size	40,700
Current Month Panel Size	42,056
Calendar YTD Panel Seen Count	17,496
Calendar YTD % Panel Seen	43.0%
Goal to Panel Seen Count	19,170
PCP Claim Count	59,618

PCP Assignments by Month



NOVEMBER 2021 BILLABLE VISITS – 9,042

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%

FY22 Month	Actual	Budget	Variance
Jul-21	9,859	9,778	81
Aug-21	10,453	9,778	675
Sep-21	9,975	9,778	197
Oct-21	9,167	9,778	(611)
Nov-21	9,042	9,778	(736)
Total	48,496	48,890	(394)

SJCC INCOME STATEMENT – NOVEMBER 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	1,285,461	1,275,357	10,104	7,466,855	6,376,785	1,090,070
Supplemental Revenue	997,165	967,837	29,328	4,985,825	4,839,183	146,642
Capitation & Managed Care Incentives	485,904	553,833	(67,929)	2,403,722	2,769,167	(365,445)
Grant Revenue	16,236	270,278	(254,042)	325,716	1,351,392	(1,025,675)
340B Pharmacy Program	109,675	60,000	49,675	658,820	300,000	358,820
MOU & Other Income	55,674	63,518	(7,843)	287,801	317,588	(29,787)
Total Operating Revenue	<u>2,950,115</u>	<u>3,190,823</u>	<u>(240,708)</u>	<u>16,128,739</u>	<u>15,954,115</u>	<u>174,624</u>
Expenditures						
Salaries & Wages	1,608,291	1,282,091	(326,199)	6,808,713	6,410,456	(398,257)
Employee Benefits	890,575	819,409	(71,166)	3,601,284	4,097,045	495,761
Professional Fees	209,171	212,324	3,153	1,020,125	1,061,618	41,493
Purchased Services	552,475	578,464	25,989	2,408,412	2,892,322	483,911
Supplies	48,258	39,431	(8,827)	445,180	197,153	(248,027)
Depreciation	18,565	20,509	1,944	93,997	102,545	8,548
Interest	17,953	4,298	(13,656)	112,365	21,488	(90,877)
Other Expenses	(285,613)	87,461	373,074	1,272,786	437,303	(835,482)
Total Expenditures	<u>3,059,675</u>	<u>3,043,986</u>	<u>(15,688)</u>	<u>15,762,861</u>	<u>15,219,931</u>	<u>(542,929)</u>
Net Income(Loss)	<u>(109,560)</u>	<u>146,837</u>	<u>(256,396)</u>	<u>365,878</u>	<u>734,183</u>	<u>(368,306)</u>

	<u>PERIOD 0</u>	<u>JULY 2021</u>	<u>AUGUST 2021</u>	<u>SEPTEMBER 2021</u>	<u>OCTOBER 2021</u>	<u>NOVEMBER 2021</u>
Assets						
Cash & Cash Equivalents	2,266,991	2,274,759	10,274,204	11,439,672	11,987,361	17,506,250
Accounts Receivable	1,786,574	1,567,532	1,544,418	1,652,978	1,574,805	1,383,482
Inventory	11,250	(36,414)	(60,467)	0	0	0
Property & Equipment	1,411,298	1,391,984	1,373,582	1,354,724	1,335,866	1,317,536
Other Assets	19,828,212	23,025,945	17,992,367	19,543,137	13,163,166	8,243,877
Total Assets	<u>25,304,325</u>	<u>28,223,807</u>	<u>31,124,104</u>	<u>33,990,511</u>	<u>28,061,198</u>	<u>28,451,145</u>
Liabilities						
Accounts Payable	396,672	610,273	721,439	923,594	989,410	975,540
Other Liabilities	15,087,742	17,626,124	19,616,244	21,834,230	15,576,439	16,751,439
Deferred Revenue	0	0	600,000	1,000,000	1,200,000	538,376
Total Liabilities	<u>15,484,414</u>	<u>18,236,396</u>	<u>20,937,683</u>	<u>23,757,824</u>	<u>17,765,848</u>	<u>18,265,355</u>
Net Assets						
Beginning Net Assets	9,819,912	9,819,912	9,819,912	9,819,912	9,819,912	9,819,912
Current YTD Net Income	0	167,499	366,510	412,775	475,437	365,878
Total Net Assets	<u>9,819,912</u>	<u>9,987,411</u>	<u>10,186,421</u>	<u>10,232,687</u>	<u>10,295,349</u>	<u>10,185,790</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>	<u>28,061,198</u>	<u>28,451,145</u>

SJCC BALANCE SHEET

NOVEMBER 2021

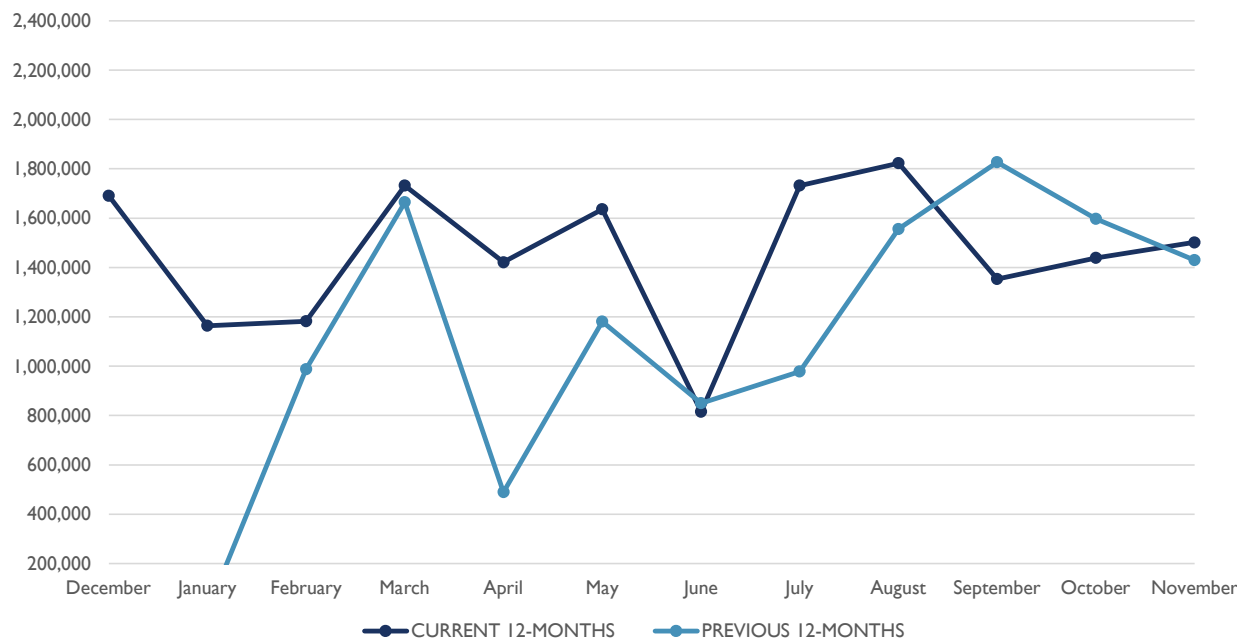
SJCC BILLING & COLLECTIONS

A/R AGING NOVEMBER 2021

SJCC Accounts Receivable Aging Analysis For the Month of November 2021								
Aging Category	MediCare	MediCal	Commercial	Self Pay	Total Aging This Month	Total Aging Last Month	\$ Increase (Decrease)	% Increase (Decrease)
1-30 Days	200,777	1,888,043	30,603	21,976	2,141,399	2,259,655	(118,257)	-5.23%
31-60 Days	94,634	184,872	22,852	22,937	325,294	301,598	23,696	7.86%
61-90 Days	52,688	92,896	17,239	23,624	186,448	177,477	8,971	5.05%
91-120 Days	29,805	55,680	10,126	6,776	102,388	113,700	(11,312)	-9.95%
121-180 Days	20,605	53,940	16,219	2,397	93,161	117,715	(24,554)	-20.86%
181-240 Days	16,152	30,030	18,069	2,567	66,817	74,292	(7,475)	-10.06%
241-270 Days	7,755	2,495	9,888	795	20,934	14,838	6,096	41.09%
271-365 Days	5,297	4,228	9,861	445	19,832	30,237	(10,405)	-34.41%
366 Days & Over	(37,258)	11,308	44,176	(26,948)	(8,722)	15,894	(24,617)	-154.88%
Total FC This Month	13%	79%	6%	2%	390,455	3,105,406	(157,856)	-5.08%
Total FC Last Month	395,791	2,436,019	187,900	85,696	3,105,406			
\$ Increase (Decrease)	(5,335)	(112,527)	(8,866)	(31,128)	(157,856)			
% Increase (Decrease)	-1.35%	-4.62%	-4.72%	-36.32%	-5.08%			
Monthly Management Summary								
	Beginning	Charges	Payments	Adjustments	Ending Gross			
November Activity	3,105,406	2,552,909	(1,501,783)	(1,208,982)	2,947,550			
A/R Days Analysis								
	November	October	September	August	July	June	May	Increase (Decrease)
Gross A/R Days	33	35	32	28	36	34	27	(2)
Net A/R	1,383,482	1,574,805	1,652,978	1,574,249	1,992,113	1,766,997	1,262,842	(191,322)
Net A/R Days	29	31	31	33	44	42	24	(2)

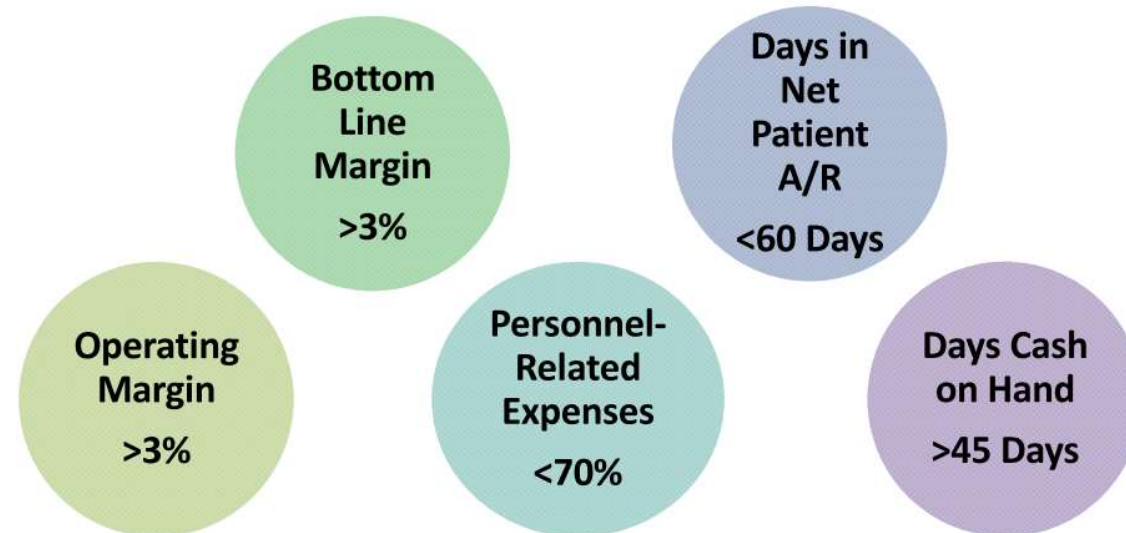
NOVEMBER 2021 EMMI CASH COLLECTED - \$1,501,783

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	SJCC FYTD FY22
FINANCIAL HEALTH		
1 Operating Margin As a % of Operating Revenue	>3%	2%
2 Bottom Line Margin As a % of Operating Revenue	>3%	2%
3 Days Cash on Hand	>45 Days	171
4 Days in Net Patient Receivables	<60 Days	29
5 Personnel-Related Expense (PRE) As a % of Operating Revenue	<70	86%

QUESTIONS & ANSWERS





San Joaquin County Clinics

Financial Statement Comments

November 2021

Summary of Clinics Year to Date

Billable visits for November are unfavorable to budget by 736 visits. Net Patient Revenues are \$10,104 greater than budget. YTD financials reflect a PPS reconciliation liability accrual of \$125,000. YTD Medi-Cal payments for \$1,771,824 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 \$89,766 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. Also, November financials include a \$4.6 million cash receipt from SJGH related to unaudited Due To/Due From estimations in accordance with 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 \$4,985,825. Combined Grants Revenue includes revenues for Essential Access Title X, SOR2, Health Net and American Rescue Plan (ARP) grants for \$325,716. Capitation and Managed Care Incentives include the YTD Capitation Revenue with an unfavorable variance to budget by \$365,445 due to pending manage care incentive revenue recognition associated with our HEDIS performance. Also, Other Income includes the 340B Pharmacy Program revenue for \$658,820 and the program related expenses for \$289,215 are included in Supplies & Other Expenses categories on the financials. YTD financials reflect First Responder Program revenue for \$12,600. YTD Other Revenue includes revenues accrued for \$282,313 related to Purchased Services provided to SJGH by SJCC per the MOU. Total Net Operating Revenues are favorable to budget by \$174,624.

YTD Salaries and benefits expenses exhibit a favorable variance to budget of \$97,505. Non-labor operating expenses exhibit an unfavorable variance of \$640,434 largely due to Professional Fees and Other Expenses favorable variance of \$533,951 mainly offset by unfavorable variance in Purchased Services, Supplies, Interest and Miscellaneous Expenses \$1,174,385. An expense accrual for the Purchased Services is recorded from July through November based on the MOU expense estimations.

Unaudited, as presented, Net Income of \$365,878 on a year-to-date basis is unfavorable compared to budget by \$368,306.

Additional Factors Impacting Clinic Performance Presentation

- Supplemental revenues are estimates based on the Master MOU between SJCC and SJ County. Revenue recognition for QIP Receivable is pending independent auditor's evaluation.

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.