

SAN JOAQUIN COUNTY
Clinics
Board Finance Committee Agenda

February 22, 2022 at 5:00 p.m.

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Conference ID: 644 208 056#

Agenda

- | | | | |
|----|---|---|--------------|
| 1. | Call to order | | Paul Antigua |
| 2. | Approval of Minutes from January 24, 2022 | * | Paul Antigua |
| 3. | Presentation of Financials | | Kris Zuniga |
| 4. | Status of 2020 & 2021 Audits | | Kris Zuniga |
| 5. | Adjournment | | Paul Antigua |

*** Action Item**

Next Meeting: March 28, 2022 at 5:00 p.m.
Microsoft Teams Meeting

Note: If you need disability-related modification or accommodation to participate in this meeting, please contact San Joaquin County Clinics at (209) 468-7837 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 SJCC Clinic Administration at 500 W. Hospital Road, French Camp, CA during normal business hours.

Minutes of January 24, 2022

San Joaquin County Clinics Board of Directors – Finance Committee

Board Members Present: Charson Chang (Board Member); Farhan Fadoo (SJCC CEO); Escardo Medina (Board Member); Rod Place (Board Chair)

Board Members Excused Absent: Paul Antigua (SJCC Treasurer)

Board Members Unexcused Absent: none

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

Guests: none

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Rod Place, Board Chair)</u> The meeting was called to order at 5:03 p.m. A quorum was established for today's meeting.</p>	No attachments	No action required
<p>2. <u>Approval of Minutes from December 27, 2021 (Rod Place, Board Chair)</u> A quorum was established and the minutes were approved unanimously.</p>	Finance Committee Minutes 2021-12-27	Esgardo motioned to approve the minutes from December 2021 and Rod seconded; minutes from were approved unanimously
<p>3. <u>Presentation of Financials (Kris Zuniga, CFO)</u> Billable visits for December are favorable to budget by 56 visits. YTD visits have been updated on the December financials due to an updated report received for the additional visits (1,602 visits) that were not captured in the previous months. Additional Patient Revenues have been recorded accordingly. This new methodology has no impact on patient collections. Net Patient Revenues for December are \$338,195 greater than budget. YTD financials reflect a PPS reconciliation liability accrual of \$150,000. YTD Medi-Cal payments for \$2,033,085 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 \$107,720 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, YTD financials include \$4.1 payment from SJGH related to unaudited FY2021 financial statement and according to the separation agreement between SJGH and SJCC. December financials include funds transferred for \$6,892,501 to San Joaquin County as a payment for payroll and benefits paid by San Joaquin County on behalf of SJCC from July 2021 through November 2021.</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 \$5,982,990. Combined Grants Revenue includes revenues for Essential Access Title X, SOR2, Whole Person Care, Behavioral Health Integration, Health Net and American Rescue Plan (ARP) grants for \$904,195. Capitation and Managed Care Incentives</p>	CFO Presentation 2021-12	

<p>include the YTD Capitation Revenue with an unfavorable variance to budget by \$430,133 due to a slight decline in capitation payment rate per member and non-recognition of HEDIS revenue during the year. Also, Other Income includes the 340B Pharmacy Program revenue for \$743,259 and the program related expenses for \$568,269 are included in Supplies & Other Expenses categories on the financials. YTD financials reflect First Responder Program revenue for \$13,200. YTD Other Revenue includes revenues accrued for \$342,420 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$5,488. Total Net Operating Revenues are favorable to budget by \$819,889.</p> <p>YTD Salaries and benefits expenses exhibit an unfavorable variance to budget of \$175,710. Other operating expenses exhibit an unfavorable variance of \$733,850 largely due to Professional Fees and Other Expenses favorable variance of \$662,732 mainly offset by unfavorable variance in Purchased Services, Supplies, Interest and Miscellaneous Expenses \$1,396,582. An estimated expense for the Purchased Services is recorded from July through November based on the MOU.</p> <p>Unaudited, as presented, Net Income of \$791,349 on a year-to-date basis is unfavorable compared to budget by \$89,671.</p> <p>Operating Margin is 2% against a Capital Link target of >3%. Bottom Line Margin is 4% against a Capital Link target of >3%. Days Cash on Hand is 115 days against a Capital Link target of >30-45 days. Days in Net Patient Receivables is 25 days against a Capital Link target of <60 days. Personnel-Related Expenses is 84% against a Capital Link target of <70%.</p> <p>Grant portfolio was presented.</p>		
<p>4. <u>Status of 2020 & 2021 Audits (Kris Zuniga, CFO)</u> Audit is going slowly, but well. Auditors have offered to give a direct report to the Finance committee at next month's meeting (2/22/22).</p>	No attachments	No action required
<p>5. <u>Adjournment (Rod Place, Board Chair)</u> There being no further topics of discussion, Rod Place adjourned the meeting at 5:20 p.m.</p>	No attachments	No action required

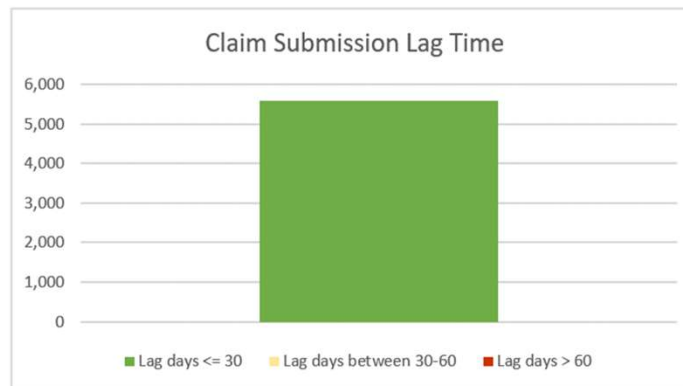
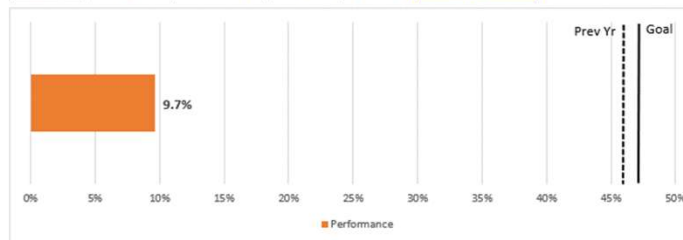
SAN JOAQUIN COUNTY CLINICS

CFO PRESENTATION

Kris Zuniga
Chief Financial Officer
Presentation Date: 2/22/2022

HEALTH PLAN OF SAN JOAQUIN MEMBERSHIP ASSIGNMENTS CALENDAR YTD AS OF JANUARY 2022

San Joaquin County Clinics					
Year	Panel Size	Panel Seen	Goal	% Goal	Performance
2021	40,852	18,141	19,227	47.07%	44.41%
2022	42,656	4,117	18,342	43.00%	9.7%



Average Submission Lag: 7.9 Days

Panel Metrics for San Joaquin County Clinics

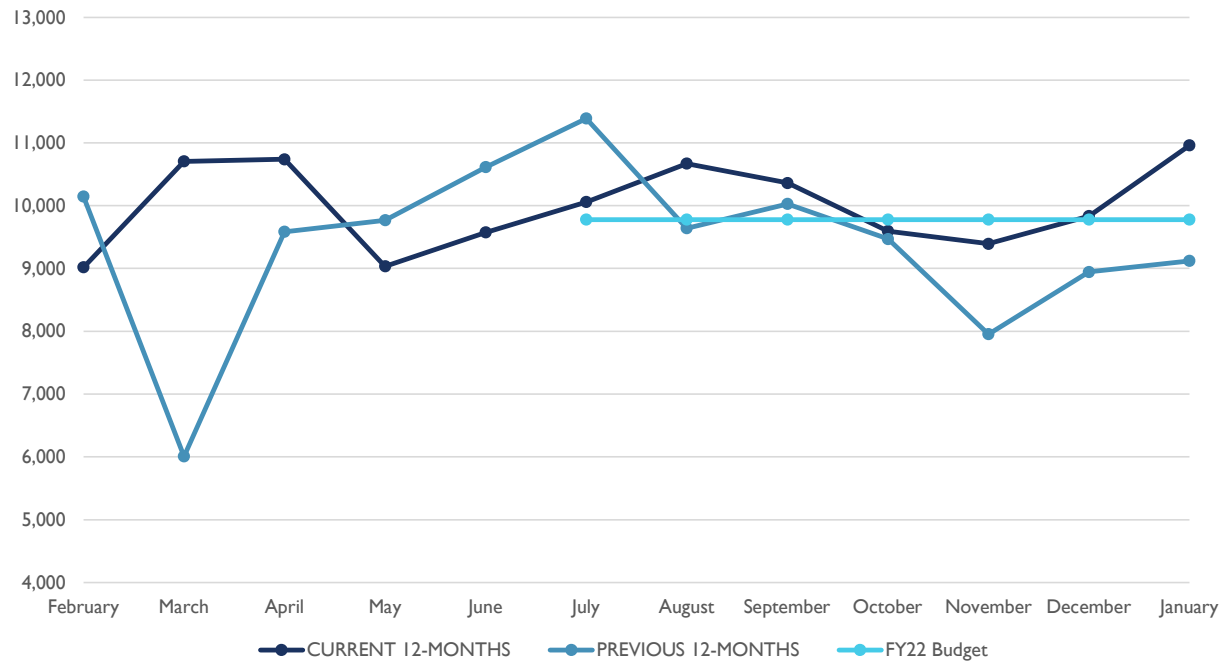
Average Panel Size	42,656
Current Month Panel Size	42,656
Calendar YTD Panel Seen Count	4,117
Calendar YTD % Panel Seen	9.7%
Goal to Panel Seen Count	18,342
PCP Claim Count	5,577

PCP Assignments by Month



JANUARY 2022 BILLABLE VISITS – 10,959

ROLLING 12-MONTH BILLABLE VISIT TRENDS



Visits By Financial Class	%
Medi-Cal Managed Care	75.61%
Medicare	10.88%
Medi-Cal	9.12%
Self-Pay	2.58%
Commerical	1.81%
Total	100.00%

FY22 Month	Actual	Budget	Variance
Jul-21	10,059	9,778	281
Aug-21	10,670	9,778	892
Sep-21	10,361	9,778	583
Oct-21	9,594	9,778	(184)
Nov-21	9,393	9,778	(385)
Dec-21	9,834	9,778	56
Jan-22	10,959	9,778	1,181
Total	70,870	68,446	1,187

SJCC INCOME STATEMENT – JANUARY 2022

	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	1,561,105	1,275,357	285,748	10,641,512	8,927,500	1,714,013
Supplemental Revenue	997,165	967,837	29,328	6,980,155	6,774,856	205,299
Capitation & Managed Care Incentives	498,899	553,833	(54,934)	3,391,767	3,876,833	(485,067)
Grant Revenue	228,436	270,278	(41,843)	1,145,831	1,891,948	(746,117)
340B Pharmacy Program	106,661	60,000	46,661	849,921	420,000	429,921
MOU & Other Income	64,590	63,518	1,073	412,498	444,623	(32,125)
Total Operating Revenue	<u>3,456,856</u>	<u>3,190,823</u>	<u>266,033</u>	<u>23,421,683</u>	<u>22,335,761</u>	<u>1,085,922</u>
Expenditures						
Salaries & Wages	1,325,047	1,282,091	(42,956)	9,664,480	8,974,639	(689,841)
Employee Benefits	898,776	819,409	(79,367)	5,344,055	5,735,864	391,808
Professional Fees	192,890	212,324	19,434	1,467,674	1,486,265	18,591
Purchased Services	458,863	578,464	119,602	3,266,917	4,049,251	782,334
Supplies	41,646	39,431	(2,216)	525,639	276,014	(249,624)
Depreciation	25,156	20,509	(4,647)	164,764	143,563	(21,201)
Interest	21,565	4,298	(17,267)	148,006	30,084	(117,923)
Other Expenses	149,502	87,461	(62,041)	1,705,387	612,225	(1,093,162)
Total Expenditures	<u>3,113,444</u>	<u>3,043,986</u>	<u>(69,458)</u>	<u>22,286,922</u>	<u>21,307,904</u>	<u>(979,018)</u>
Net Income(Loss)	<u>343,412</u>	<u>146,837</u>	<u>196,575</u>	<u>1,134,761</u>	<u>1,027,857</u>	<u>106,904</u>

SJCC BALANCE SHEET JANUARY 2022

	<u>PERIOD 0</u>	<u>JULY 2021</u>	<u>AUGUST 2021</u>	<u>SEPTEMBER 2021</u>	<u>OCTOBER 2021</u>	<u>NOVEMBER 2021</u>	<u>DECEMBER 2021</u>	<u>January 2022</u>
Assets								
Cash & Cash Equivalents	2,266,991	2,274,759	10,274,204	11,439,672	11,987,361	17,506,250	11,884,586	11,403,076
Accounts Receivable	1,786,574	1,567,532	1,544,418	1,652,978	1,574,805	1,383,482	1,270,381	1,421,291
Inventory	11,250	(36,414)	(60,467)	0	0	0	11,458	11,458
Property & Equipment	1,411,298	1,391,984	1,373,582	1,354,724	1,335,866	1,317,536	1,426,517	1,462,268
Other Assets	<u>19,828,212</u>	<u>23,025,945</u>	<u>17,992,367</u>	<u>19,543,137</u>	<u>13,163,166</u>	<u>8,243,877</u>	<u>8,990,719</u>	<u>10,293,157</u>
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>	<u>23,583,659</u>	<u>24,591,250</u>
Liabilities								
Accounts Payable	396,672	610,273	721,439	923,594	989,410	975,540	1,136,364	876,325
Other Liabilities	15,087,742	17,626,124	19,616,244	21,834,230	15,576,439	16,751,439	11,097,659	12,021,876
Deferred Revenue	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>1,000,000</u>	<u>1,200,000</u>	<u>538,376</u>	<u>738,376</u>	<u>738,376</u>
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>	<u>12,972,399</u>	<u>13,636,577</u>
Net Assets								
Beginning Net Assets	9,819,912	9,819,912	9,819,912	9,819,912	9,819,912	9,819,912	9,819,912	9,819,912
Current YTD Net Income	<u>0</u>	<u>167,499</u>	<u>366,510</u>	<u>412,775</u>	<u>475,437</u>	<u>365,878</u>	<u>791,349</u>	<u>1,134,761</u>
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>	<u>10,611,261</u>	<u>10,954,672</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>	<u>23,583,659</u>	<u>24,591,250</u>

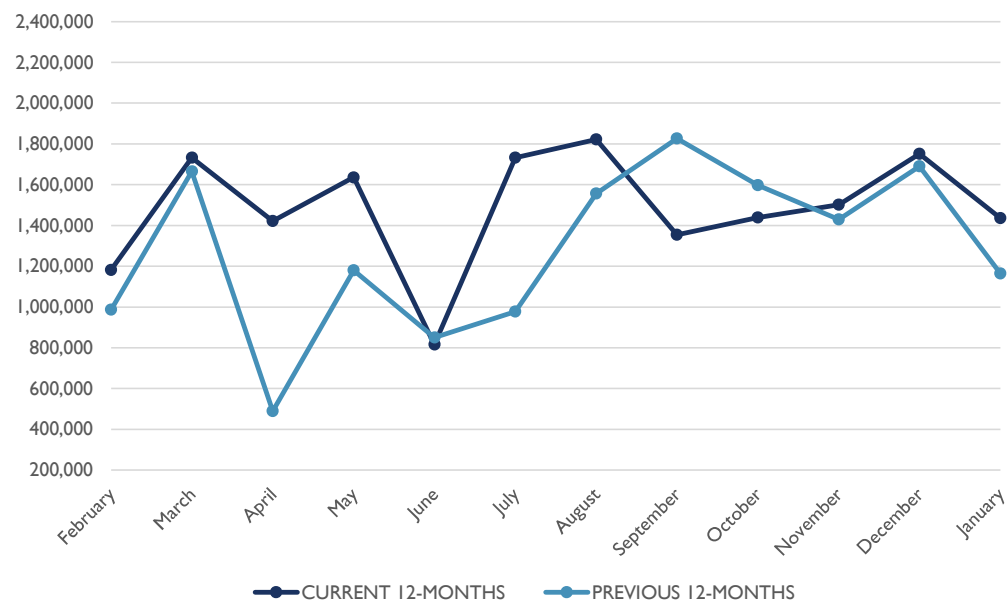
SJCC BILLING & COLLECTIONS

A/R AGING JANUARY 2022

SJCC Accounts Receivable Aging Analysis For the Month of January 2022								
Aging Category	MediCare	MediCal	Commercial	Self Pay	Total Aging This Month	Total Aging Last Month	\$ Increase (Decrease)	% Increase (Decrease)
1-30 Days	180,516	1,567,602	16,612	20,988	1,785,718	1,762,787	22,931	1.30%
31-60 Days	111,778	132,605	25,015	22,385	291,783	283,471	8,312	2.93%
61-90 Days	49,471	102,451	19,287	19,022	190,231	197,572	(7,341)	-3.72%
91-120 Days	36,295	87,493	15,537	14,224	153,549	105,190	48,359	45.97%
121-180 Days	21,229	106,086	18,415	4,021	149,751	101,854	47,897	47.02%
181-240 Days	10,859	49,318	12,882	1,500	74,558	64,275	10,283	16.00%
241-270 Days	4,737	9,878	4,240	695	19,550	22,461	(2,911)	-12.96%
271-365 Days	8,624	14,967	16,863	1,773	42,227	25,462	16,764	65.84%
366 Days & Over	(4,682)	22,292	46,190	(2,486)	61,314	28,255	33,059	117.00%
	15%	76%	6%	3%				
Total FC This Month	418,826	2,092,693	175,041	82,122	2,768,682	2,591,328	177,353	6.84%
Total FC Last Month	355,300	1,978,950	178,132	78,946	2,591,328			
\$ Increase (Decrease)	63,526	113,743	(3,091)	3,176	177,353			
% Increase (Decrease)	17.88%	5.75%	-1.74%	4.02%	6.84%			
Monthly Management Summary								
	Beginning	Charges	Payments	Adjustments	Ending Gross			
January Activity	2,591,328	2,519,519	(1,435,194)	(906,972)	2,768,682			
A/R Days Analysis								
	January	December	November	October	September	August	July	Increase (Decrease)
Gross A/R Days	33	30	33	35	32	28	36	3
Net A/R	1,421,291	1,270,381	1,383,482	1,574,805	1,652,978	1,574,249	1,992,113	150,911
Net A/R Days	28	25	29	31	31	33	44	3

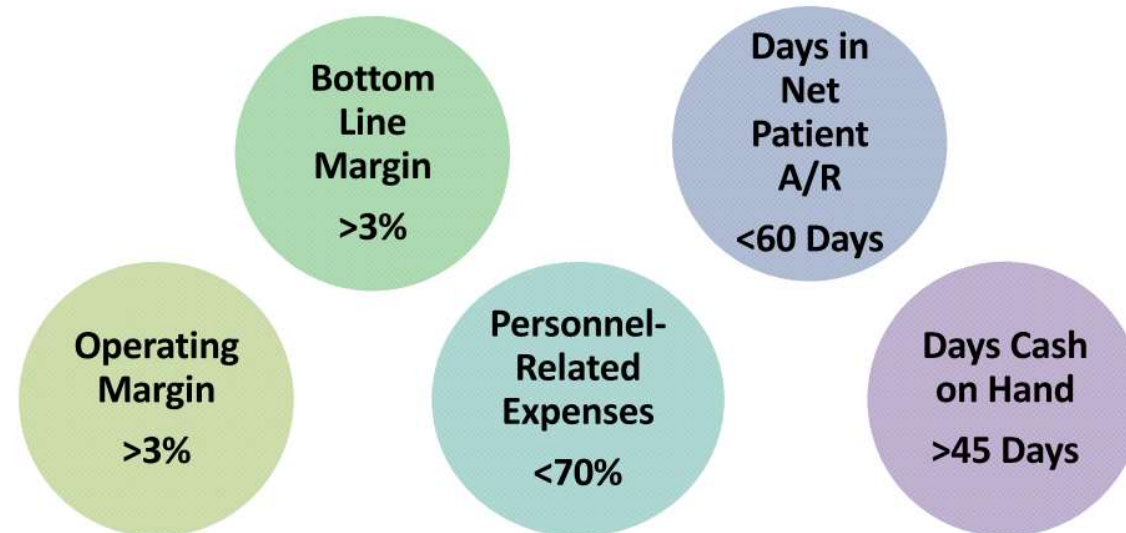
JANUARY 2022 EMMI CASH COLLECTED - \$1,435,194

ROLLING 12-MONTH TRENDS - CASH COLLECTED



FY22 Collections by Financial Class	%
Medi-Cal Managed Care	78.64%
Medi-Cal	16.62%
Medicare	3.74%
Self-Pay	0.50%
Commercial	0.50%
Total	100.00%

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%	3%
2 Bottom Line Margin As a % of Operating Revenue	>3%	5%
3 Days Cash on Hand	>45 Days	111
4 Days in Net Patient Receivables	<60 Days	28
5 Personnel-Related Expense (PRE) As a % of Operating Revenue	<70	84%

QUESTIONS & ANSWERS





San Joaquin County Clinics
Financial Statement Comments
January 2022

Summary of Clinics Year to Date

Billable visits for January are favorable to budget by 1,181 visits. YTD visits have been updated on the December financials due to an updated report received for the additional visits (1,602 visits) that were not captured in the previous months. Additional Patient Revenues have been recorded accordingly. This new methodology has no impact on patient collections. Net Patient Revenues for January are \$285,748 greater than budget. YTD financials reflect a PPS reconciliation liability accrual of \$175,000. YTD Medi-Cal payments for \$2,519,165 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 \$125,673 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, YTD financials include \$4.1 payment from SJGH related to unaudited FY2021 financial statement and according to the separation agreement between SJGH and SJCC. YTD financials include funds transferred for \$8,163,604 to San Joaquin County as a payment for payroll and benefits paid by San Joaquin County on behalf of SJCC from July 2021 through December 2021.

YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$6,980,155. Combined Grants Revenue includes revenues for Essential Access Title X, SOR2, Whole Person Care, Behavioral Health Integration, Health Net and American Rescue Plan (ARP) grants for \$1,135,831. Capitation and Managed Care Incentives include the YTD Capitation Revenue with an unfavorable variance to budget by \$485,067 mainly due to non-recognition of HEDIS revenue during the year. Also, Other Income includes the 340B Pharmacy Program revenue for \$849,921 and the program related expenses for \$634,436 are included in Supplies & Other Expenses categories on the financials. YTD financials reflect First Responder Program revenue for \$10,000. YTD Other Revenue includes revenues accrued for \$397,800 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$14,698. Total Net Operating Revenues are favorable to budget by \$1,085,922.

YTD Salaries and benefits expenses exhibit an unfavorable variance to budget of \$298,033. Other operating expenses exhibit an unfavorable variance of \$680,985 largely due to Professional Fees and Purchased Services favorable variance of \$800,925 mainly offset by unfavorable variance in Supplies, Interest and Miscellaneous Expenses \$1,481,910. An estimated expense for the Purchased Services is recorded from July through January based on the MOU.

Unaudited, as presented, Net Income of \$1,134,761 on a year-to-date basis is favorable compared to budget by \$106,904.

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.