

SAN JOAQUIN COUNTY
Clinics
Board Finance Committee Agenda

January 24, 2022, 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 12/27/21 | * | Paul Antigua |
| 3. | Presentation of Financials | | Kris Zuniga |
| 4. | Grant Summary Review | | Kris Zuniga |
| 5. | Status of 2020 & 2021 Audits | | Kris Zuniga |
| 6. | Adjournment | | Paul Antigua |

*** Action Item**

Next Meeting: February 22, 2022 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 December 27, 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); 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: None

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Paul Antigua, SJCC Treasurer)</u> The meeting was called to order at 5:09 p.m. A quorum was established for today's meeting.</p>	No attachments	No action required
<p>2. <u>Approval of Minutes from 11/29/21 (Paul Antigua, SJCC Treasurer)</u> A quorum was established and the minutes were approved unanimously.</p>	Finance Committee Minutes 2021-10-25	Esgardo motioned to approve the minutes and Paul seconded; the minutes from November 29, 2021 were approved unanimously
<p>3. <u>Presentation of Financials (Kris Zuniga, SJCC CFO)</u> 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.</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 \$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</p>	CFO Presentation 2021-11	Kris Zuniga to generate a grant schedule and present at next month's meeting.

<p>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.</p> <p>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.</p> <p>Unaudited, as presented, Net Income of \$365,878 on a year-to-date basis is unfavorable compared to budget by \$368,306.</p> <p>Paul requested a summary of grant funds and timing. Kris confirmed we have a grant schedule and that a HRSA grant of \$5 million over two years comprises the largest part of our grants for this period. Grant schedule to be presented at next month's meeting.</p> <p>December represents the first month with a net loss (unfavorable variance of \$109,560).</p> <p>Gross A/R Days are at 33 days for November, with Net A/R at 29 days. Medi-Cal Managed Care and Medi-Cal remain our largest income sources.</p> <p>Kris gave an update on our FY22-23 budgeting process, with key milestones and timeline shown. Budget assumptions and methodology from FY21-22 were also reviewed, with possible changes for the current year noted.</p>		
<p>4. <u>Status of 2020 & 2021 Audits (Kris Zuniga, SJCC CFO)</u> Independent audit reports are still underway. As this is the first audit of an independent SJCC and comprises two years, the initial effort will require more work than subsequent audits.</p>	No attachments	No action required
<p>5. <u>Adjournment</u> There being no further topics of discussion, Paul Antigua adjourned the meeting at 5:44 p.m.</p>	No attachments	No action required

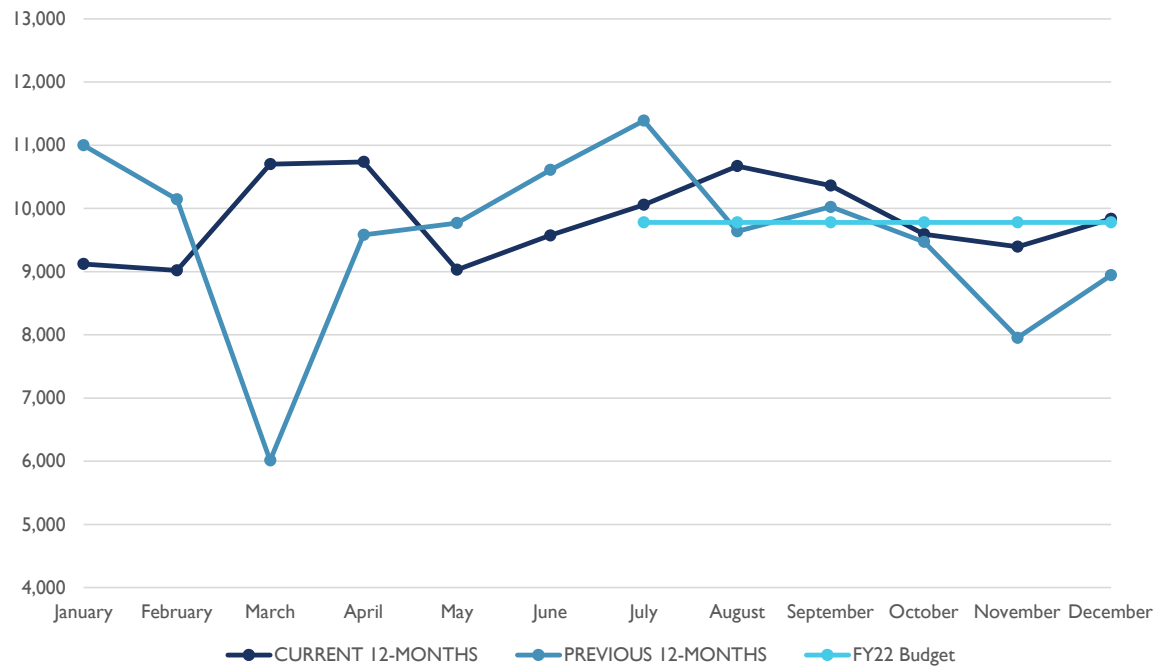
SAN JOAQUIN COUNTY CLINICS

CFO PRESENTATION

Kris Zuniga
Chief Financial Officer
Presentation Date: 1/25/2022

DECEMBER 2021 BILLABLE VISITS – 9,834

ROLLING 12-MONTH BILLABLE VISIT TRENDS



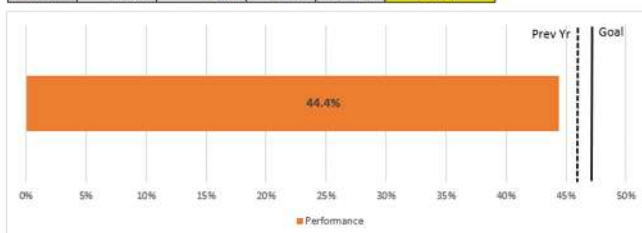
Visits By Financial Class	%
Medi-Cal Managed Care	74.29%
Medicare	10.92%
Medi-Cal	9.93%
Self-Pay	3.47%
Commercial	1.40%
Total	100.00%

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
Total	59,911	58,668	1,243

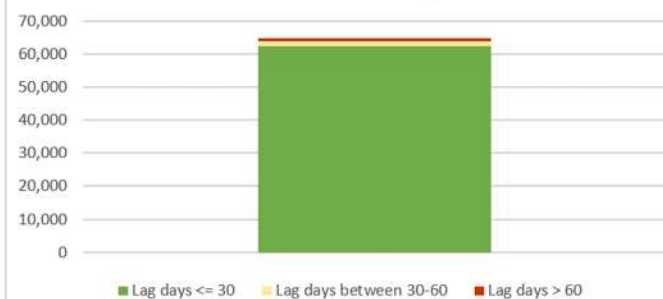
HEALTH PLAN OF SAN JOAQUIN MEMBERSHIP ASSIGNMENTS CALENDAR YTD AS OF DECEMBER 2021

San Joaquin County Clinics

Year	Panel Size	Panel Seen	Goal	% Goal	Performance
2020	37,109	17,048	18,753	50.53%	45.94%
2021	40,822	18,106	19,227	47.10%	44.4%



Claim Submission Lag Time

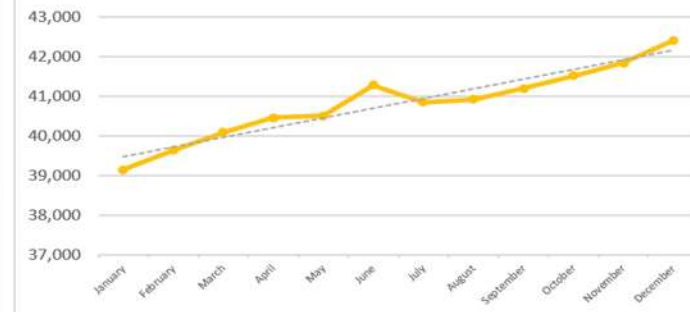


Average Submission Lag: 7.0 Days

Panel Metrics for San Joaquin County Clinics

Average Panel Size	40,822
Current Month Panel Size	42,413
Calendar YTD Panel Seen Count	18,106
Calendar YTD % Panel Seen	44.4%
Goal to Panel Seen Count	19,227
PCP Claim Count	64,990

PCP Assignments by Month



SJCC INCOME STATEMENT – DECEMBER 2021

	Current Period Actual	Current Period Budget - Original	Budget Variance - Original	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original
Operating Revenue						
Net Patient Service Revenue	1,613,552	1,275,357	338,195	9,080,408	7,652,143	1,428,265
Supplemental Revenue	997,165	967,837	29,328	5,982,990	5,807,019	175,970
Capitation & Managed Care Incentives	489,145	553,833	(64,688)	2,892,867	3,323,000	(430,133)
Grant Revenue	591,679	270,278	321,401	917,395	1,621,670	(704,275)
340B Pharmacy Program	84,439	60,000	24,439	743,259	360,000	383,259
MOU & Other Income	60,107	63,518	(3,410)	347,908	381,106	(33,198)
Total Operating Revenue	<u>3,836,088</u>	<u>3,190,823</u>	<u>645,265</u>	<u>19,964,827</u>	<u>19,144,938</u>	<u>819,889</u>
Expenditures						
Salaries & Wages	1,530,720	1,282,091	(248,629)	8,339,433	7,692,547	(646,885)
Employee Benefits	843,996	819,409	(24,587)	4,445,280	4,916,455	471,175
Professional Fees	254,659	212,324	(42,336)	1,274,785	1,273,942	(843)
Purchased Services	399,643	578,464	178,822	2,808,054	3,470,787	662,732
Supplies	38,812	39,431	618	483,992	236,584	(247,409)
Depreciation	45,611	20,509	(25,102)	139,608	123,054	(16,554)
Interest	14,077	4,298	(9,779)	126,441	25,786	(100,655)
Other Expenses	283,100	87,461	(195,639)	1,555,885	524,764	(1,031,121)
Total Expenditures	<u>3,410,617</u>	<u>3,043,986</u>	<u>(366,631)</u>	<u>19,173,478</u>	<u>18,263,918</u>	<u>(909,560)</u>
Net Income(Loss)	<u>425,471</u>	<u>146,837</u>	<u>278,634</u>	<u>791,349</u>	<u>881,020</u>	<u>(89,671)</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>	<u>DECEMBER 2021</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
Accounts Receivable	1,786,574	1,567,532	1,544,418	1,652,978	1,574,805	1,383,482	1,270,381
Inventory	11,250	(36,414)	(60,467)	0	0	0	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
Other Assets	19,828,212	23,025,945	17,992,367	19,543,137	13,163,166	8,243,877	8,990,719
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>
Liabilities							
Accounts Payable	396,672	610,273	721,439	923,594	989,410	975,540	1,136,364
Other Liabilities	15,087,742	17,626,124	19,616,244	21,834,230	15,576,439	16,751,439	11,097,659
Deferred Revenue	0	0	600,000	1,000,000	1,200,000	538,376	738,376
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>	<u>12,972,399</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
Current YTD Net Income	0	167,499	366,510	412,775	475,437	365,878	791,349
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>
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>

SJCC BALANCE SHEET DECEMBER 2021

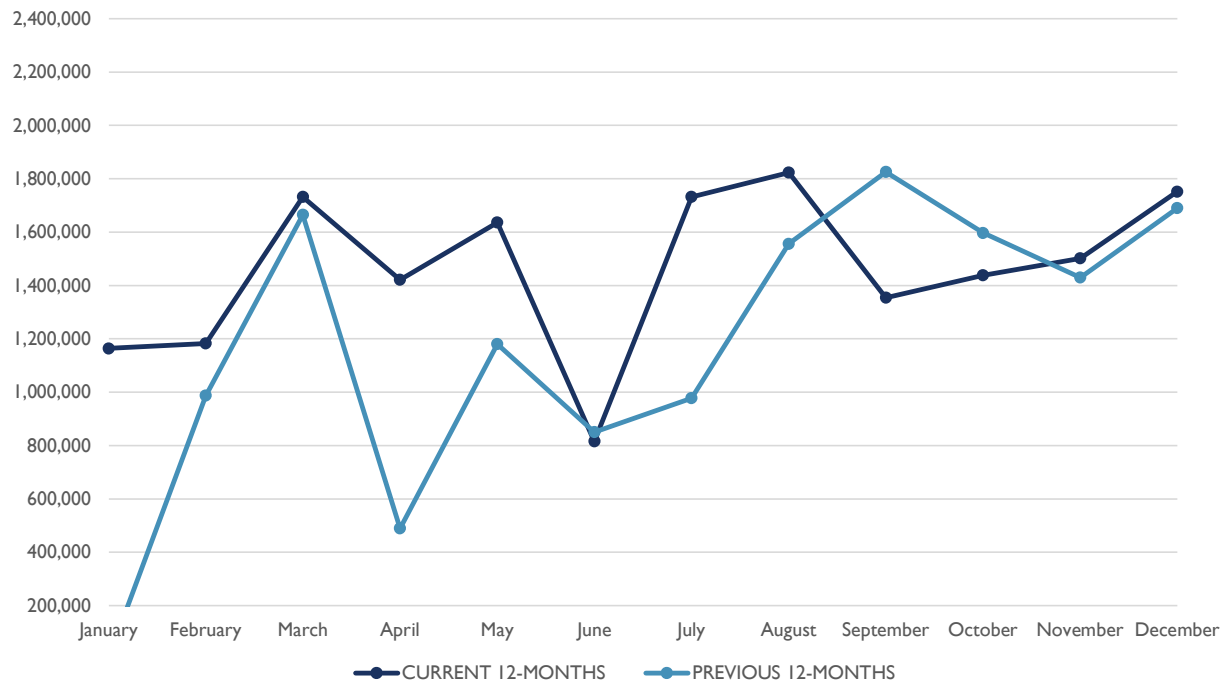
SJCC BILLING & COLLECTIONS

A/R AGING DECEMBER 2021

SJCC Accounts Receivable Aging Analysis For the Month of December 2021								
Aging Category	MediCare	MediCal	Commercial	Self Pay	Total Aging This Month	Total Aging Last Month	\$ Increase (Decrease)	% Increase (Decrease)
1-30 Days	174,721	1,533,755	30,083	24,227	1,762,787	2,141,399	(378,612)	-17.68%
31-60 Days	94,051	146,995	21,651	20,773	283,471	325,294	(41,823)	-12.86%
61-90 Days	53,931	104,158	17,919	21,565	197,572	186,448	11,124	5.97%
91-120 Days	14,160	67,182	14,989	8,860	105,190	102,388	2,803	2.74%
121-180 Days	19,408	67,099	13,214	2,134	101,854	93,161	8,693	9.33%
181-240 Days	14,206	33,289	14,263	2,516	64,275	66,817	(2,542)	-3.80%
241-270 Days	6,058	5,450	9,417	1,536	22,461	20,934	1,527	7.30%
271-365 Days	6,759	4,313	13,475	915	25,462	19,832	5,631	28.39%
366 Days & Over	(27,994)	16,709	43,120	(3,580)	28,255	(8,722)	36,977	-423.93%
Total FC This Month	14%	76%	7%	3%				
Total FC Last Month	355,300	1,978,950	178,132	78,946	2,591,328	2,947,550	(356,222)	-12.09%
\$ Increase (Decrease)	(35,156)	(344,542)	(902)	24,378	(356,222)			
% Increase (Decrease)	-9.00%	-14.83%	-0.50%	44.67%	-12.09%			
Monthly Management Summary								
	Beginning	Charges	Payments	Adjustments	Ending Gross			
December Activity	2,947,550	2,590,949	(1,751,654)	(1,195,518)	2,591,328			
A/R Days Analysis								
	December	November	October	September	August	July	June	Increase (Decrease)
Gross A/R Days	30	33	35	32	28	36	34	(3)
Net A/R	1,270,381	1,383,482	1,574,805	1,652,978	1,574,249	1,992,113	1,766,997	(113,102)
Net A/R Days	25	29	31	31	33	44	42	(4)

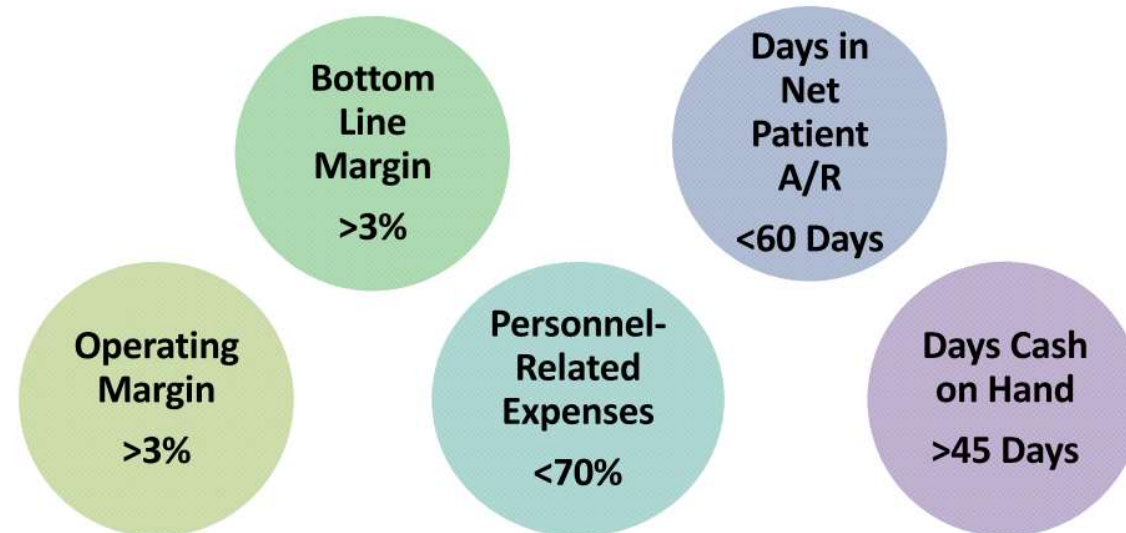
DECEMBER 2021 EMMI CASH COLLECTED - \$1,751,654

ROLLING 12-MONTH TRENDS - CASH COLLECTED



FY22 Collections by Financial Class	%
Medi-Cal Managed Care	76.64%
Medi-Cal	14.92%
Medicare	7.31%
Self-Pay	0.46%
Commercial	0.67%
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	>1-3%	2%
2 Bottom Line Margin As a % of Operating Revenue	>3%	4%
3 Days Cash on Hand	>30-45 Days	115
4 Days in Net Patient Receivables	<60 Days	25
5 Personnel-Related Expense (PRE) As a % of Operating Revenue	<70	84%

QUESTIONS & ANSWERS





San Joaquin County Clinics
Financial Statement Comments
December 2021

Summary of Clinics Year to Date

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.

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 \$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 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.

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.

Unaudited, as presented, Net Income of \$791,349 on a year-to-date basis is unfavorable compared to budget by \$89,671.

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.

**SAN JOAQUIN COUNTY CLINICS
GRANT PORTFOLIO SUMMARY
DECEMBER 31, 2021**

	COVID 19 ARP	Title X - Essential Access	State Opioid Response 2 - MAT Services	Sunlight Giving	Health Net	Health Net	Kaiser Permanente (Mobile Health Svc \$25K)	HPSJ - Binational Health Event	Health Net (Gift Cards \$1,250)	Behavioral Health Incentive Integration Program - MOU	Whole Person Care MOU	First Responder Covid Testing - MOU	Total
Grant Profile													
Grant Funder Classification	Federal	Federal	Federal	Corporate	Corporate	Corporate	Corporate	Corporate	Corporate	State	State	Local	
Approved Budget Period	Jul-21 -- Jun-23	Apr-21 -- Mar-22	Sep-20 -- Sep-22	open	open	Oct-21 -- Dec-21	Oct-21--Jul-22	Dec-21	Dec-21	Jan-21 -- Dec-22	Jan-21 -- Dec-21	open	
Approved Budget Award	5,136,625	230,460	100,690	110,000	100,000	17,258	25,000	3,000	1,250	2,214,604	389,847	0	8,328,734
Matching Component	0	70,460	0	0	0	0	0	0	0	0	0	0	70,460
Total Awarded Assistance	5,136,625	160,000	100,690	110,000	100,000	17,258	25,000	3,000	1,250	2,214,604	389,847	0	8,258,274
Total Grant Periods	24	12	24	0	0	3	10	1	1	24	12	0	
Remaining Grant Periods	18	3	9	0	0	0	7	0	0	12	0	0	
Assistance Utilized	539,475	67,004	82,309	0	89,300	0	0	3,000	1,250	562,708	87,537	185,400	1,617,983
Remaning Assistance	4,597,150	92,996	18,381	110,000	10,700	17,258	25,000	0	0	1,651,896	302,309	open	6,825,691
FY22 Balance Sheet													
Grant Receivable 6/30/21	<u>0</u>	<u>33,502</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,502</u>
Additional Revenues	539,475	33,502	25,173	110,000	100,000	17,258	0	3,000	1,250	197,000	87,537	13,200	1,127,395
Grant Receipts	(247,520)	(67,004)	0	(110,000)	(100,000)	(17,258)	0	(3,000)	(1,250)	0	0	(13,200)	(559,232)
Grant Receivable 12/31/21	<u>291,955</u>	<u>0</u>	<u>25,173</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>197,000</u>	<u>87,537</u>	<u>0</u>	<u>601,665</u>
Capital Purchases	<u>397,501</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>397,501</u>
FY22 Income Statement													
Grant Revenue	<u>539,475</u>	<u>33,502</u>	<u>25,173</u>	<u>0</u>	<u>0</u>	<u>17,258</u>	<u>0</u>	<u>3,000</u>	<u>1,250</u>	<u>197,000</u>	<u>87,537</u>	<u>13,200</u>	<u>917,395</u>
General Ledger Expenditures	<u>419,802</u>	<u>66,829</u>	<u>28,277</u>	<u>2,847</u>	<u>0</u>	<u>8,687</u>	<u>2,853</u>	<u>1,810</u>	<u>1,829</u>	<u>155,393</u>	<u>140,250</u>	<u>6,645</u>	<u>835,222</u>
Net Income(Loss)	<u>119,673</u>	<u>(33,327)</u>	<u>(3,105)</u>	<u>(2,847)</u>	<u>0</u>	<u>8,571</u>	<u>(2,853)</u>	<u>1,190</u>	<u>(579)</u>	<u>41,607</u>	<u>(52,713)</u>	<u>6,556</u>	<u>82,173</u>