

Minutes of June 27, 2022
San Joaquin Health Centers Board of Directors – Finance Committee
Board Members Present: Farhan Fadoo (SJHC CEO); Monica Fuentes (Finance Committee); Rod Place (Finance Committee)

Board Members Excused Absent: Paul Antigua (Treasurer, Finance Committee Chair)

Board Members Unexcused Absent: Esgardo Medina (Finance Committee)

SJHC Staff: Michael Allen (Board Clerk); Alice Souligne (COO)

Guests: none

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Rod Place, Board Chair)</u> The meeting was called to order at 5:05 p.m. Due to personal issues, Paul needed to resign from the Board, so Rod will serve as the Finance Committee chair until a new chair is identified. A quorum was established for today's meeting.</p>	No attachments	No action required
<p>2. <u>Approval of Minutes from 5/23/2022 (Rod Place, Board Chair)</u> Minutes from May 23, 2022 were approved unanimously.</p>	Finance Committee Meeting Minutes 2022-05-23	Monica motioned to approve the minutes and Rod seconded; motion was approved unanimously
<p>3. <u>Presentation of Financials (Kris Zuniga, CFO)</u> Billable visits for May are favorable to budget by 1,056 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 May are \$480,998 greater than budget. YTD financials reflect a PPS reconciliation liability accrual of \$275,000. May financials include an adjustment for \$324,768 to true up FY21 PPS reconciliation liability balance. YTD Medi-Cal payments for \$3,925,502 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 \$197,486 for PPS liability payments made to DHCS for FY2015, FY2016, and FY2017. YTD financials include \$8.1M payment from SJGH related to the finalization of FY2020 financial statement audit and according to the separation agreement between SJGH and SJ Health. Also, YTD financials include \$4,611,409 payment from SJGH related to unaudited FY2021, July 2021 and August 2021 financial statements and according to the separation agreement between SJGH and SJ Health. YTD financials include funds transferred for \$14,644,602 to San Joaquin County as a payment for payroll and benefits paid by San Joaquin County on behalf of SJ Health from July 2021 through April 2022.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$10,968,814. Combined Grants Revenue includes revenues for Essential Access Title X, SOR2, Whole Person Care, Behavioral Health Integration, Health Net, American Rescue Plan (ARP) and</p>	Finance Committee Report – June 2022	No action required

<p>other grants for \$2,459,107. Capitation and Managed Care Incentives include the YTD Capitation Revenue with an unfavorable variance to budget by \$600,080 mainly due to non-recognition of HEDIS revenue during the year. Also, Other Income includes the 340B Pharmacy Program revenue for \$1,406,069 and the program related expenses for \$908,261 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 \$620,850 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$22,318. Total Net Operating Revenues are favorable to budget by \$3,095,616.</p> <p>YTD Salaries and benefits expenses exhibit an unfavorable variance to budget of \$868,590. YTD financials include a favorable adjustment of \$533,333 to true up the estimated accrued expenses related to Residents' Salaries and Benefits and Other Expenses from July through February. Other operating expenses exhibit an unfavorable variance of \$1,115,791 largely due to Purchased Services with favorable variance of \$1,141,104 mainly offset by unfavorable variance in Professional Fees, Supplies, Interest and Miscellaneous Expenses \$2,256,895. An estimated expense for the Purchased Services is recorded from July through May based on the MOU.</p> <p>Unaudited, as presented, Net Income of \$2,726,439 on a year-to-date basis is favorable compared to budget by \$1,111,235.</p> <p>Operating Margin is 5% against a Capital Link benchmark of >3%. Bottom Line Margin is 7% against a goal of >3%. Days Cash on Hand is 84 days against a goal of >45 days. Days in Net Patient Receivables is 33 days against a goal of <60 days. Personnel-Related Expenses are 72% against a goal of <70%.</p>		
<p>4. <u>Update on 2020-21 Audits</u> We have received a draft trial balance, which matches our expected trial balance.</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 5:22 p.m.</p>	No attachments	No action required