



**10100 Trinity Parkway, Suite 100, Stockton, CA 95219**  
**SJ Health Board of Directors – Finance Committee Agenda**  
**Monday September 26, 2022 at 5:00 p.m.**

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Conference ID: 537 070 200#

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**Agenda**

- |    |  |   |             |
|----|--|---|-------------|
| 1. | Call to order                            |   | Rod Place   |
| 2. | Approval of Minutes from July 25, 2022   | * | Rod Place   |
| 3. | Presentation of Financials – August 2022 |   | Kris Zuniga |
| 4. | Adjournment                              |   | Rod Place   |

**\* Action Item**

**Next Meeting: October 24, 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 Health Centers at (209) 953-3711 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 SJ Health Clinic Administration at 10100 Trinity Parkway, Suite 100, Stockton, CA 95219 during normal business hours.

## Minutes of August 29, 2022

### San Joaquin Health Centers Board of Directors – Finance Committee

**Board Members Present:** Farhan Fadoo (SJHC CEO); Monica Fuentes (Finance Committee); Rod Place (Interim Finance Chair)

**Board Members Excused Absent:**

**Board Members Unexcused Absent:** Esgardo Medina (Finance Committee)

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

**Guests:** none

AGENDA ITEM	ATTACHMENTS	ACTION
<b>1. <u>Call to Order (Rod Place, Interim Board Chair)</u></b> The meeting was called to order at 5:07 p.m. A quorum was established for today's meeting.	No attachments	No action required
<b>2. <u>Approval of Minutes from 7/25/2022 (Rod Place, Interim Board Chair)</u></b> Minutes from July 25, 2022 were approved unanimously.	Finance Committee Meeting Minutes 2022-07-25	Monica motioned to approve the minutes and Rod seconded; motion was approved unanimously
<b>3. <u>Presentation of Financials (Kris Zuniga, CFO)</u></b> Billable visits for July are unfavorable to budget by 151 visits. Net Patient Service Revenues for July are \$172,039 less than budget. July financials reflect a PPS reconciliation liability accrual of \$25,000.  Medi-Cal cost settlement payments for \$667,770 related to PPS reconciliations for FY2020 are reflected on the July financials.  Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$1,280,629. Combined Grants Revenue includes revenues for Behavioral Health Integration and American Rescue Plan (ARP) grants for \$1,119,609. Also, July grant revenues are higher than budget due to the recognition of American Rescue Plan (ARP) grant revenue for \$765,299 for activity related to January 2021 through June 2021 period. Capitation and Managed Care Incentives include the Capitation Revenue with a favorable variance to budget by \$13,999. Also, Other Income includes the 340B Pharmacy Program revenue for \$189,106 and the program related expenses for \$72,112 are included in Supplies & Other Expenses categories on the financials. Other Revenue includes revenues accrued for \$59,192 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$10,234. Total Net Operating Revenues are favorable to budget by \$1,010,141.  Salaries and benefits expenses exhibit an unfavorable variance to budget by \$150,629. Other operating expenses exhibit an unfavorable variance of \$540,739 largely due to Purchased Services and Interest Expense with favorable variance of \$175,088 mainly offset by unfavorable variance in Professional Fees, Supplies, Depreciation, and Other Expenses for \$715,827. An estimated expense for the Purchased Services is recorded for July based on the MOU.	Finance Committee Report – Aug 2022	No action required



<p>Unaudited, as presented, Net Income of \$153,732 for July is favorable compared to budget by \$318,772.</p> <p>Capital Link benchmarks were reviewed, showing Operating Margin at 3% against a goal of &gt;3%, Bottom Line Margin at 3% against a goal of &gt;3%, Days Cash on Hand at 60 against a goal of &gt;45 days, Days in Net Patient Receivables at 43 against a goal of &lt;60 days, and Personnel-Related Expenses at 70% against a goal of &lt;70%.</p>		
<p><b>4. <u>Update on 2020-21 Audits (Kris Zuniga, CFO)</u></b> We have received a draft version of the audit and an Audit Committee will be convened in September for presentation.</p>	No attachments	No action required
<p><b>5. <u>Adjournment (Rod Place, Interim Board Chair)</u></b> There being no further topics of discussion, Rod Place adjourned the meeting at 5:18 p.m.</p>	No attachments	No action required



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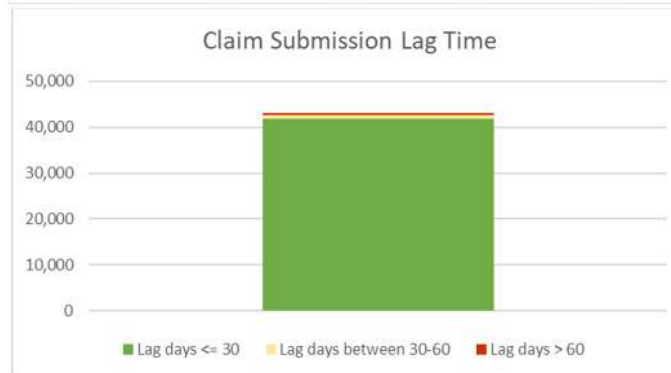
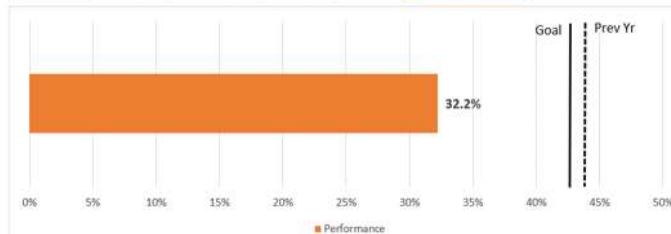
# SAN JOAQUIN HEALTH CENTERS

CFO PRESENTATION

Kris Zuniga  
Chief Financial Officer  
Presentation Date: 9/27/2022

## HEALTH PLAN OF SAN JOAQUIN MEMBERSHIP ASSIGNMENTS CALENDAR YTD AS OF AUGUST 2022

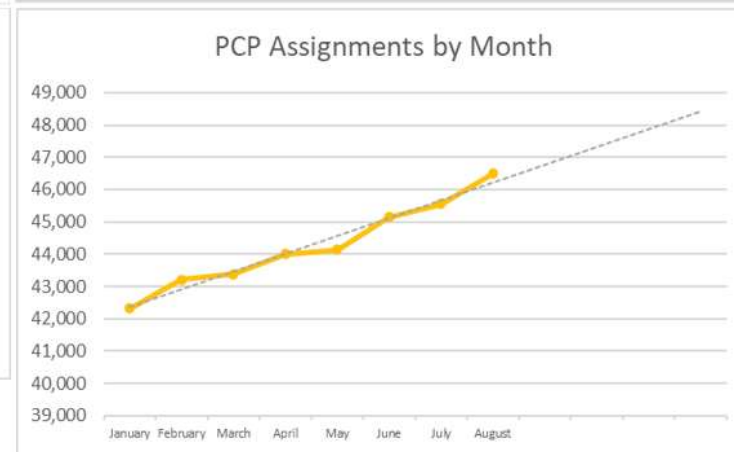
San Joaquin Health Centers					
Year	Panel Size	Panel Seen	Goal	% Goal	Performance
2021	40,852	18,141	19,227	47.07%	44.41%
2022	44,279	14,269	19,040	43.00%	32.2%



**Average Submission Lag: 7.4 Days**

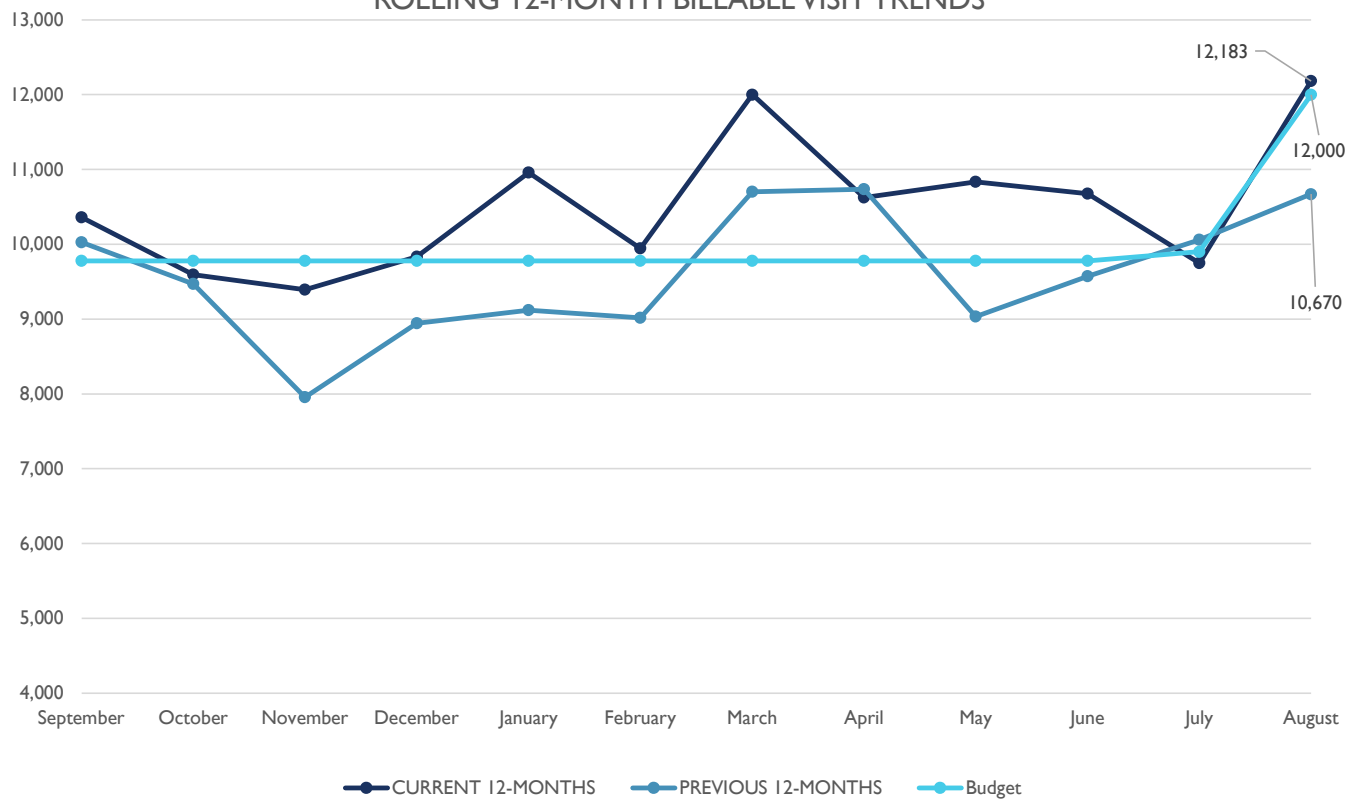
### Panel Metrics for San Joaquin Health Centers

Average Panel Size	44,279
Current Month Panel Size	46,492
Calendar YTD Panel Seen Count	14,269
Calendar YTD % Panel Seen	32.2%
Goal to Panel Seen Count	19,040
PCP Claim Count	43,113



# AUGUST 2022 BILLABLE VISITS – 12,183

ROLLING 12-MONTH BILLABLE VISIT TRENDS



Visits By Financial Class	%
Medi-Cal Managed Care	76.26%
Medicare	11.51%
Medi-Cal	9.56%
Self-Pay	1.57%
Commerical	1.10%
Total	100.00%

FY23 Month	Actual	Budget	Variance
Jul-22	9,749	9,900	(151)
Aug-22	12,183	12,000	183
Total	21,932	21,900	32

# SJ HEALTH INCOME STATEMENT – AUGUST 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	1,781,230	1,753,170	28,060	3,230,024	3,374,003	(143,979)
Supplemental Revenue	1,280,629	1,214,301	66,328	2,561,257	2,217,125	344,132
Capitation & Managed Care Incentives	532,846	511,311	21,535	1,058,157	1,022,622	35,535
Grant Revenue	244,417	305,165	(60,748)	1,364,026	610,331	753,695
340B Pharmacy Program	114,608	117,731	(3,122)	303,715	235,461	68,253
MOU & Other Income	<u>57,495</u>	<u>64,869</u>	<u>(7,374)</u>	<u>126,921</u>	<u>129,738</u>	<u>(2,817)</u>
Total Operating Revenue	<u>4,011,225</u>	<u>3,966,546</u>	<u>44,679</u>	<u>8,644,099</u>	<u>7,589,280</u>	<u>1,054,819</u>
Expenditures						
Salaries & Wages	1,516,937	1,765,010	248,074	3,410,892	3,530,021	119,129
Employee Benefits	640,570	867,737	227,167	1,529,991	1,735,473	205,482
Professional Fees	281,443	212,464	(68,979)	733,274	424,928	(308,346)
Purchased Services	548,782	556,741	7,959	948,168	1,113,481	165,314
Supplies	98,602	81,165	(17,436)	238,872	162,331	(76,541)
Depreciation	31,598	23,268	(8,330)	57,569	46,536	(11,033)
Interest	48,770	21,074	(27,696)	52,110	42,147	(9,963)
Other Expenses	<u>555,222</u>	<u>260,314</u>	<u>(294,907)</u>	<u>1,230,189</u>	<u>520,628</u>	<u>(709,561)</u>
Total Expenditures	<u>3,721,923</u>	<u>3,787,773</u>	<u>65,850</u>	<u>8,201,064</u>	<u>7,575,546</u>	<u>(625,518)</u>
Net Income(Loss)	<u>289,303</u>	<u>178,773</u>	<u>110,529</u>	<u>443,035</u>	<u>13,734</u>	<u>429,301</u>

	<u>PERIOD 0</u>	<u>JULY 2022</u>	<u>AUGUST 2022</u>
Assets			
Cash & Cash Equivalents	5,978,796	8,650,878	9,079,794
Accounts Receivable	2,239,956	2,085,467	2,284,006
Inventory	12,881	12,881	12,881
Property & Equipment	2,101,833	2,083,066	2,147,191
Other Assets	<u>15,694,917</u>	<u>16,337,439</u>	<u>15,731,011</u>
Total Assets	<u>26,028,381</u>	<u>29,169,731</u>	<u>29,254,883</u>
Liabilities			
Accounts Payable	504,607	659,141	491,578
Other Liabilities	10,403,680	12,736,764	12,260,175
Deferred Revenue	<u>2,265,668</u>	<u>2,765,668</u>	<u>3,205,668</u>
Total Liabilities	<u>13,173,954</u>	<u>16,161,572</u>	<u>15,957,421</u>
Net Assets			
Beginning Net Assets	9,819,912	12,854,427	12,854,427
Current YTD Net Income	<u>3,034,515</u>	<u>153,732</u>	<u>443,035</u>
Total Net Assets	<u>12,854,427</u>	<u>13,008,159</u>	<u>13,297,462</u>
Total Liabilities and Net Assets	<u>26,028,381</u>	<u>29,169,731</u>	<u>29,254,883</u>

## SJ HEALTH BALANCE SHEET AUGUST 2022



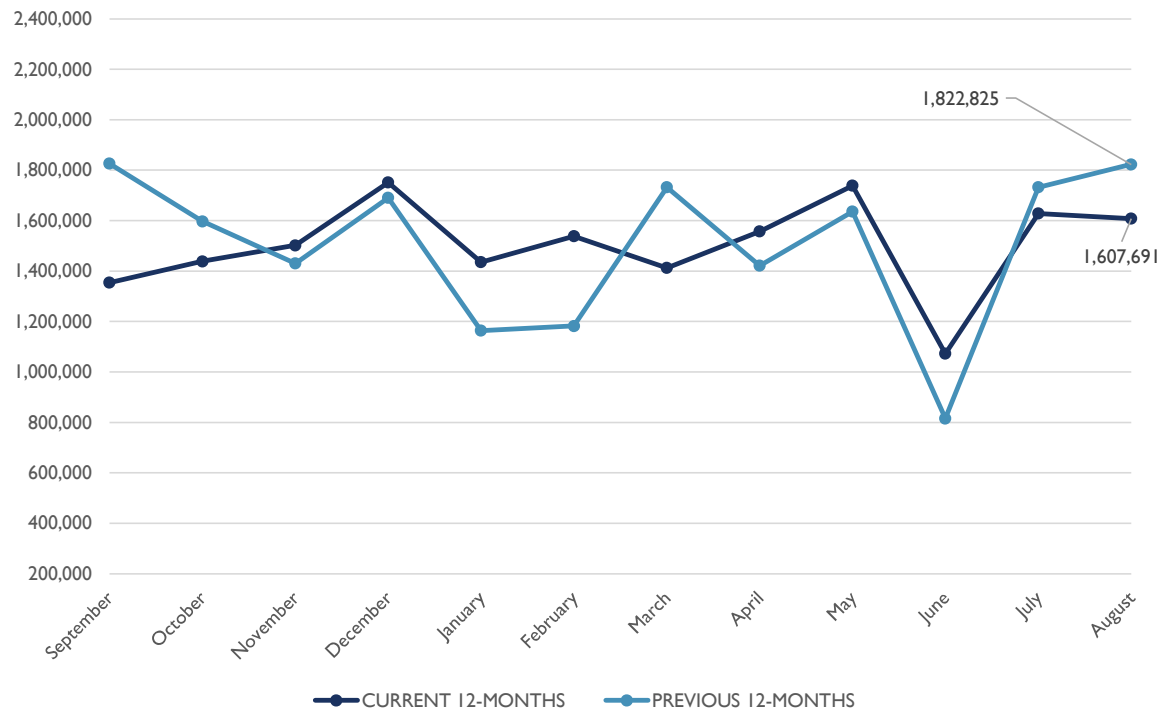
# SJ HEALTH BILLING & COLLECTIONS

## A/R AGING AUGUST 2022

SJ Health Centers Accounts Receivable Aging Analysis For the Month of August 2022								
Aging Category	MediCare	MediCal	Commercial	Self Pay	Total Aging This Month	Total Aging Last Month	\$ Increase (Decrease)	% Increase (Decrease)
1-30 Days	418,267	1,644,365	36,786	60,138	2,159,556	1,823,633	335,923	18.42%
31-60 Days	115,360	349,737	31,923	32,305	529,325	726,372	(197,047)	-27.13%
61-90 Days	128,545	139,338	34,682	40,955	343,521	354,362	(10,841)	-3.06%
91-120 Days	90,711	153,397	33,815	22,875	300,798	364,178	(63,379)	-17.40%
121-180 Days	185,052	287,498	39,256	55,348	567,154	384,363	182,792	47.56%
181-240 Days	106,503	53,375	11,823	27,533	199,234	171,560	27,674	16.13%
241-270 Days	40,380	11,280	6,773	11,440	69,873	33,032	36,841	111.53%
271-365 Days	18,685	9,875	14,809	8,881	52,250	36,354	15,896	43.73%
366 Days & Over	16,078	43,697	50,293	3,914	113,982	103,079	10,903	10.58%
Total FC This Month	26%	62%	6%	6%	4,335,693	3,996,932	338,761	8.48%
Total FC Last Month	1,119,580	2,692,562	260,162	263,389	3,996,932			
	801,808	2,904,413	170,822	119,889				
\$ Increase (Decrease)	317,772	(211,850)	89,339	143,500	338,761			
% Increase (Decrease)	39.63%	-7.29%	52.30%	119.69%	8.48%			
Monthly Management Summary								
	Beginning	Charges	Payments	Adjustments	Ending Gross			
August Activity	3,996,932	2,905,946	(1,607,691)	(959,493)	4,335,693			
A/R Days Analysis								
	August	July	June	May	April	March	February	Increase (Decrease)
Gross A/R Days	50	48	46	34	36	37	31	3
Net A/R	2,284,006	2,085,467	2,239,955	1,725,999	1,803,835	1,703,360	1,334,255	198,539
Net A/R Days	49	43	47	33	36	35	25	6

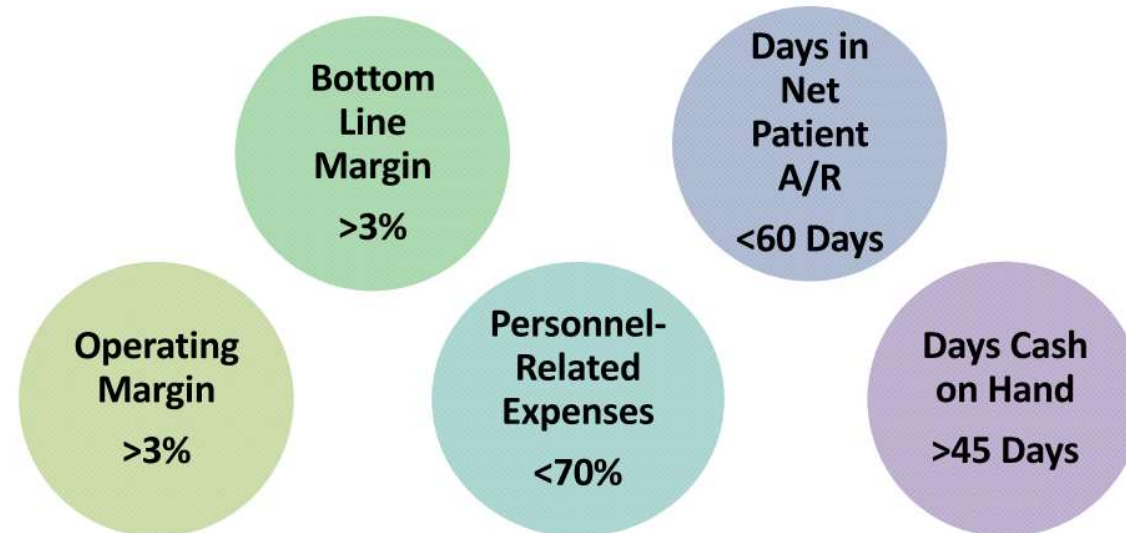
# AUGUST 2022 EMMI PAYMENTS POSTED - \$1,607,691

ROLLING 12-MONTH TRENDS - CASH COLLECTED



FY23 Collections by Financial Class	%
Medi-Cal Managed Care	79.81%
Medi-Cal	14.72%
Medicare	4.77%
Self-Pay	0.42%
Commercial	0.28%
Total	100.00%

## Key Financial Metrics: Capital Link Industry Guidelines



# CAPITAL LINK FQHC FINANCIAL BENCHMARKS VS SJ HEALTH

DATA SUMMARY	Capital Link Target	SJ HEALTH FYTD FY23
<b>FINANCIAL HEALTH</b>		
<b>1 Operating Margin</b> As a % of Operating Revenue	>3%	4%
<b>2 Bottom Line Margin</b> As a % of Operating Revenue	>3%	5%
<b>3 Days Cash on Hand</b>	>45 Days	69
<b>4 Days in Net Patient Receivables</b>	<60 Days	49
<b>5 Personnel-Related Expense (PRE)</b> As a % of Operating Revenue	<70	68%

## QUESTIONS & ANSWERS





San Joaquin Health Centers  
Financial Statement Comments  
August 2022

**Summary of Clinics Year to Date**

Billable visits for August are favorable to budget by 183 visits. Net Patient Service Revenues for August are favorable to budget by \$28,060. YTD financials reflect a PPS reconciliation liability accrual of \$50,000. YTD Medi-Cal payments for \$774,165 have been reflected on the Balance Sheet for FY2018 and FY2019 according to the payment plan with DHCS. YTD Income Statement includes interest expense of \$45,476 for PPS liability payments made to DHCS for FY2018 and FY2019. YTD financials include funds transferred for \$1,459,315 to San Joaquin County as a payment for payroll and benefits paid by San Joaquin County on behalf of SJ Health for July 2022.

Medi-Cal cost settlement payments for \$667,770 related to PPS reconciliations for FY2020 are reflected on the YTD financials.

YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$2,561,257. Combined Grants Revenue includes revenues for Behavioral Health Integration and American Rescue Plan (ARP) grants for \$1,363,826. Also, YTD grant revenues are higher than budget due to the recognition of American Rescue Plan (ARP) grant revenue for \$765,299 for activity related to January 2021 through June 2021 period in July. Capitation and Managed Care Incentives include the Capitation Revenue with a favorable variance to budget by \$35,535. Also, Other Income includes the 340B Pharmacy Program revenue for \$303,715 and the program related expenses for \$76,087 are included in Supplies & Other Expenses categories on the financials. YTD financials reflect First Responder Program revenue for \$200. YTD Other Revenue includes revenues accrued for \$116,687 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$10,234. Total Net Operating Revenues are favorable to budget by \$1,054,819.

YTD Salaries and benefits expenses exhibit a favorable variance to budget by \$324,611. Other operating expenses exhibit an unfavorable variance of \$950,129 largely due to Purchased Services with a favorable variance of \$165,314 mainly offset by unfavorable variance in Professional Fees, Purchased Services, Supplies, Interest, Depreciation, and Other Expenses for \$1,115,443. An estimated expense for the Purchased Services is recorded for July and August based on the MOU.

Unaudited, as presented, Net Income of \$443,035 on a year-to-date basis is favorable compared to budget by \$429,301.

**Additional Factors Impacting Clinic Performance Presentation**

- Supplemental revenues are estimates based on historic performance and statewide pool amounts for the California Department of Public Health Quality Incentive Pool Program.