

Minutes of October 24, 2022
San Joaquin Health Centers Board of Directors – Finance Committee

Board Members Present: Farhan Fadoo (CEO); Monica Fuentes (Finance); Brian Heck; Samantha Monks (Finance); Rod Place (Interim Finance Chair)

Board Members Excused Absent: none

Board Members Unexcused Absent: Esgardo Medina (Finance)

SJHC Staff: Michael Allen (Board Clerk); Barbara Kissinger-Santos (Consultant); Alice Souligne (COO); Susan Thorner (Consultant); Kris Zuniga (CFO)

Guests: none

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Rod Place, Interim Finance Chair)</u> The meeting was called to order at 5:04 p.m. A quorum was established for today's meeting.</p>	No attachments	No action required
<p>2. <u>Approval of Minutes from 9/26/2022 (Rod Place, Interim Finance Chair)</u> Minutes from September 26, 2022 were approved unanimously.</p>	Finance Committee Meeting Minutes 2022-09-26	Monica motioned to approve the minutes and Samantha seconded; motion was approved unanimously
<p>3. <u>Presentation of Financials (Kris Zuniga, CFO)</u> Billable visits for September are favorable to budget by 100 visits. Net Patient Service Revenues for September are favorable to budget by \$13,562. YTD financials reflect a PPS reconciliation liability accrual of \$75,000. YTD Medi-Cal payments for \$728,689 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 \$68,214 for PPS liability payments made to DHCS for FY2018 and FY2019. YTD financials include funds transferred for \$2,882,611 to San Joaquin County as a payment for payroll and benefits paid by San Joaquin County on behalf of SJ Health through August 2022.</p> <p>Medi-Cal cost settlement payments for \$667,770 related to PPS reconciliations for FY2020 are reflected on the YTD financials.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$3,841,886. Combined Grants Revenue includes revenues for Behavioral Health Integration, Discovery Challenge Academy, SOR2, Enhanced Care Management and American Rescue Plan (ARP) grants for \$1,794,993. 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 \$58,506. Also, Other Income includes the 340B Pharmacy Program revenue for \$352,795 and the program related expenses for \$118,435 are included in Supplies & Other Expenses categories on the financials. YTD Other Revenue includes revenues accrued for \$176,058 related to Purchased Services provided to SJGH by</p>	CFO Presentation 2022-09; Finance Narrative – 2022-09	No action required



<p>SJCC per the MOU and Interest Income of \$10,234. Total Net Operating Revenues are favorable to budget by \$1,209,334.</p> <p>YTD Salaries and benefits expenses exhibit a favorable variance to budget by \$824,298. Other operating expenses exhibit an unfavorable variance of \$1,531,368 largely due to Purchased Services with a favorable variance of \$237,924 mainly offset by unfavorable variance in Professional Fees, Supplies, Interest, Depreciation, and Other Expenses for \$1,769,292. 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 \$662,027 on a year-to-date basis is favorable compared to budget by \$502,264.</p> <p>Capital Link benchmarks were reviewed, showing Operating Margin at 4% against a goal of >3%, Bottom Line Margin at 5% against a goal of >3%, Days Cash on Hand at 72 against a goal of >45 days, Days in Net Patient Receivables at 41 against a goal of <60 days, and Personnel-Related Expenses at 66% against a goal of <70%.</p>		
<p>4. <u>Adjournment (Rod Place, Interim Finance Chair)</u> There being no further topics of discussion, Rod Place adjourned the meeting at 5:28 p.m.</p>	<p>No attachments</p>	<p>No action required</p>

