

Minutes of November 28, 2022
San Joaquin Health Centers Board of Directors – Finance Committee

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

Board Members Excused Absent: none

Board Members Unexcused Absent: Esgardo Medina (Finance)

SJHC Staff: Michael Allen; Barbara Kissinger-Santos; Alice Soulligne; Kris Zuniga

Guests: none

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Rod Place)</u> The meeting was called to order at 5:03 p.m. A quorum was established for today's meeting.</p>	<p>No attachments</p>	<p>No action required</p>
<p>2. <u>Approval of Minutes from 10/24/2022 (Rod Place)</u> Minutes from October 24, 2022 were approved unanimously.</p>	<p>Finance Committee Meeting Minutes 2022-10-24</p>	<p>Monica motioned to approve the minutes and Samantha seconded; motion was approved unanimously</p>
<p>3. <u>Presentation of Financials (Kris Zuniga)</u> Billable visits for October were under budget by 508 resulting in a Net Patient Service Revenue actual-to-budget unfavorable variance of \$96,590.</p> <p>Supplemental Revenue was under budget by \$176,458 in the month of October due to a YTD adjustment of \$202,321 based on the most current information received on QIP distribution.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$4,879,729. Combined Grants Revenue includes revenues for Behavioral Health Integration, Discovery Challenge Academy, SOR2, Enhanced Care Management and American Rescue Plan (ARP) grants for \$2,010,421. 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 are trending higher than budget with a favorable variance of \$82,701. MOU and other income include YTD rent revenue from SJGH for \$47,130 related to the Manteca clinic respectively offset by rent expense as recommended by the auditors. Total YTD Operating Revenue is favorable to budget by \$928,664.</p> <p>YTD Salaries and benefits expenses exhibit a favorable variance to budget by \$1,525,113 mostly due to lower than budget salaries and benefits for SJGH providers and employees providing services for the clinics. Other operating expenses exhibit an unfavorable variance of \$1,856,608 largely due to Purchased Services with a favorable variance of \$273,769 mainly offset by unfavorable variance in Professional Fees, Supplies, Interest, Depreciation, and Other Expenses for \$2,130,378. An estimated expense for the Purchased Services is recorded from July through October</p>	<p>CFO Presentation 2022-10; Finance Narrative_2022-10</p>	<p>No action required</p>



<p>based on the MOU. Total YTD expenditures are unfavorable to budget by \$331,495.</p> <p>Unaudited, as presented, Net Income of \$902,962 on a year-to-date basis is favorable compared to budget by \$597,169 PFS payment issues update: EMMI has now access to the payment information needed to post payments to patients' accounts. Days in AR expected to decrease.</p> <p>October cash balance decreased by \$2,147,631 The negative change is mostly due to reimbursement paid to the county for three September payroll periods and prior months' SST payments were processed in October, along with AP payments higher than average in October.</p> <p>Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 6% against a goal of >3%, Bottom Line Margin at 6% against a goal of >3%, Days Cash on Hand at 58 against a goal of >45 days, Days in Net Patient Receivables at 41 against a goal of <60 days, and Personnel-Related Expenses at 69% against a goal of <70%.</p>		
<p>4. <u>Adjournment (Rod Place)</u> There being no further topics of discussion, Rod Place adjourned the meeting at 5:12 p.m.</p>	<p>No attachments</p>	<p>No action required</p>

