

Minutes of February 27, 2023
San Joaquin Health Centers Board of Directors – Finance Committee

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

Board Members Excused Absent: none

Board Members Unexcused Absent:

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

Guests: none

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. Call to Order (Rod Place) The meeting was called to order at 5:02 p.m. A quorum was established for today's meeting.</p>	<p>No attachments</p>	<p>No action required</p>
<p>2. Approval of Minutes from 1/30/23 (Rod Place) Minutes from January 30, 2023 were approved unanimously.</p>	<p>Finance Committee Meeting Minutes 2023-01-30</p>	<p>Samantha motioned to approve the minutes and Monica seconded; motion was passed unanimously</p>
<p>3. Presentation of Financials (Kris Zuniga) Billable visits for January are unfavorable to budget by 1,347, which is mainly related to the Manteca Clinic that has not begun its operations yet. The budgeted visits for January include projected visits for the Manteca Clinic. Net Patient Service Revenues for January are unfavorable to budget by \$134,849.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$7,233,885. Based on the most recent information received on the QIP distribution, QIP Revenue Receivable includes QIP Program Revenue related favorable adjustments for \$849,355 from January through December 2021 for PY4 and unfavorable adjustments for \$2,580,904 from January through June 2022 for PY5 respectively. Also, January financials include the reversal of estimated QIP reserves for \$2,425,128 for prior years. Combined Grants Revenue includes revenues for Behavioral Health Integration, Discovery Challenge Academy, SOR2, Connect2Care, HEDIS, Enhanced Care Management and American Rescue Plan (ARP) grants for \$3,360,255. 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 \$169,397. YTD Other Revenue includes revenues accrued for \$393,204 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$45,153. Total YTD Operating Revenue is unfavorable to budget by \$51,274.</p> <p>YTD Salaries and benefits expenses exhibit a favorable variance to budget by \$3,497,854 mostly due to lower than budgeted salaries and benefits for SJGH providers and employees providing services for the clinics. Also, Salaries and Benefits expenses are low due to YTD adjustment</p>	<p>CFO Presentation 2023-01; Finance Narrative_2023-01</p>	<p>No action required</p>



<p>recorded in November to true up the payroll liabilities. Other operating expenses exhibit an unfavorable variance of \$2,442,236 largely due to Purchased Services with a favorable variance of 456,437 mainly offset by unfavorable variance in Professional Fees, Supplies, Interest, Depreciation, and Other Expenses for \$2,898,673. An estimated expense for the Purchased Services is recorded from July through January based on the MOU. Total YTD expenditures are favorable to budget by \$1,055,618.</p> <p>Unaudited, as presented, Net Income of \$1,424,770 on a year-to-date basis is favorable compared to budget by \$1,004,344.</p> <p>Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 5% against a goal of >3%, Bottom Line Margin at 5% against a goal of >3%, Days Cash on Hand at 63 against a goal of >45 days, Days in Net Patient Receivables at 35 against a goal of <60 days, and Personnel-Related Expenses at 69% against a goal of <70%.</p>		
<p>4. Adjournment (Rod Place) There being no further topics of discussion, Rod Place adjourned the meeting at 5:19 p.m.</p>	<p>No attachments</p>	<p>No action required</p>

