SJ HEALTH
San Joaquin Health Centers

Minutes of April 25, 2023
San Joaquin Health Centers Board of Directors – Finance Committee

Board Members Present: Monica Fuentes (Finance)*; Samantha Monks (Finance); Rod Place (Interim Finance Chair), Kristin Shinn
Board Members Excused Absent: Farhan Fadoo (CEO)
Board Members Unexcused Absent: Esgardo Medina (Finance)
SJHC Staff: Michael Allen; Barbara Kissinger-Santos; Cynthia Rios; Alice Souligne; Kris Zuniga
Guests: none

AGENDA ITEM	ATTACHMENTS	ACTION
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.	No attachments	No action required
2. Approval of Minutes from 3/28/23 (Rod Place) Minutes from March 28, 2023 were approved unanimously.	Finance Committee Meeting Minutes 2023-03-28	Monica motioned to approve the minutes and Samantha seconded; motion was approved unanimously
3. Presentation of Financials (Kris Zuniga) Billable visits for March are unfavorable to budget by 2,450, which is mainly related to the Manteca Clinic that has not begun its operations yet. The budgeted visits for March include projected visits for the Manteca Clinic. Net Patient Service Revenues for March are unfavorable to budget by $394,858. YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for $9,210,543. 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, YTD 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, ARPA, and American Rescue Plan (ARP) grants for $4,000,286. 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 $1,926,067 mainly related to Cal Aim payments received in March for Year 1 and Year 2 for $530,764 and $357,537 respectively. Also, March incentive revenues are higher than budget due to the reclassification of Cal Aim IPP payments for $796,146 from grant revenues, which were received and recognized as revenues in September 2022 and November 2022. March financials include revenues for $623,909 related to supplemental payments received for the 340B Pharmacy program. YTD Other Revenue includes revenues accrued for $475,597 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of $45,153. Total	CFO Presentation 2023-03; Finance Narrative_2023-03	No action required

10100 Trinity Parkway, Suite 100
Stockton, CA 95219
Office: (209) 953-3700
Fax: (209) 953-9195

YTD Operating Revenue is favorable to budget by $1,101,671. YTD Salaries and benefits expenses exhibit a favorable variance to budget by $4,543,632 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 recorded in November to true up the payroll liabilities. Other operating expenses exhibit an unfavorable variance of $4,028,453 largely due to Purchased Services with a favorable variance of 3,394,096 mainly offset by unfavorable variance in Professional Fees, Supplies, Interest, Depreciation, and Other Expenses for $7,422,549. YTD financials reflect the Purchased Services expense trued up from July through December based on the actual expense information provided by SJGH, which resulted in the reclassification of various expenses such as rents, repairs, professional fees, utilities, supplies, labor and other expenses from Purchased Services to their respective expense categories. An estimated expense for the Purchased Services is recorded from January through March based on the MOU. YTD expenditures are favorable to budget by $515,179. Unaudited, as presented, Net Income of $2,639,621 on a year-to-date basis is favorable compared to budget by $1,616,850. Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 6% against a goal of >3%, Bottom Line Margin at 7% against a goal of >3%, Days Cash on Hand at 96 against a goal of >45 days, Days in Net Patient Receivables at 20 against a goal of <60 days, and Personnel-Related Expenses at 69% against a goal of <70%.		
4. <u>Adjournment (Rod Place)</u> There being no further topics of discussion, Rod Place adjourned the meeting at 5: p.m.	No attachments	No action required