

Minutes of September 26, 2023
San Joaquin Health Centers Board of Directors – Finance Committee

Board Members Present: Monica Fuentes (Finance); Brian Heck*; Cynthia King; 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); Cynthia Rios; Daniel Vega; Kris Zuniga

Guests: Brandi Hopkins

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Rod Place)</u> The meeting was called to order at 5:07 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 5/30/23, 6/27/23 & 7/25/23 (Rod Place)</u> Minutes from May 30, 2023, June 27, 2023, and July 25, 2023 were approved unanimously.</p>	<p>Finance Committee Minutes 2023-05-30; Finance Committee Minutes 2023-06-27; Finance Committee Minutes 2023-07-25</p>	<p>Monica motioned to and Samantha seconded; motion was approved unanimously</p>
<p>3. <u>Presentation of Financials (Kris Zuniga)</u> July Financials were presented. Billable visits for July are unfavorable to budget by 403 visits. Net Patient Service Revenues for July are unfavorable to budget by \$162,673. July financials reflect a PPS liability accrual of \$25,000.</p> <p>The payment for \$2,911,137 pertaining to the outstanding Medi-Cal PPS liabilities due to DHCS for FY2020 and FY2021 has been made in full and is reflected on the July financials.</p> <p>Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$988,329. Combined Grants Revenue includes revenues for Health Connect, Exact Sciences Focus Program, ARPA, Test To Treat Equity, HRSA Expanding Covid Vaccinations and HHIP Street Medicine grants for \$99,270. July financials include Capitation Revenue for \$535,611 and the 340B Pharmacy program revenue for \$94,607. Other Revenue includes revenues accrued for \$45,287 related to Purchased Services provided to SJGH by SJHC per the MOU and Interest Income of \$168,868. Total YTD Operating Revenue is unfavorable to budget by \$418,225.</p> <p>Salaries and Benefits expenses exhibit an unfavorable variance to budget by \$32,468 which is in line with an increase reflected for July in prior years. Other operating expenses exhibit a favorable variance of \$97,947 largely due to Supplies, Interest and other expenses with a favorable variance of 135,618 mainly offset by unfavorable variance in Professional Fees, Purchased Services, and Depreciation for \$37,671. An estimated expense for the Purchased Services is recorded for July based on the MOU. YTD expenditures are favorable to budget by \$65,479.</p>	<p>CFO Presentation 2023-07; Finance Narrative - 2023-07; CFO Presentation 2023-08; Finance Narrative - 2023-08;</p>	<p>No action required</p>

Unaudited, as presented, Net Loss of \$141,247 is reflected on the July financials compared to budgeted Net Income of \$211,499.

Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at -4% against a goal of >3%, Bottom Line Margin at -4% against a goal of >3%, Days Cash on Hand at 175 against a goal of >45 days, Days in Net Patient Receivables at 29 against a goal of <60 days, and Personnel-Related Expenses at 87% against a goal of <70%.

August financials were presented. Billable visits for August are unfavorable to budget by 34 visits. Net Patient Service Revenues for August are unfavorable to budget by \$77,702. YTD financials reflect a PPS liability accrual of \$50,000.

The payment for \$2,911,137 pertaining to the outstanding Medi-Cal PPS liabilities due to DHCS for FY2020 and FY2021 has been made in full and is reflected on the YTD financials.

YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$1,976,658. Combined Grants Revenue includes revenues for Exact Sciences Focus Program, ARPA, ACE/Practice, Test To Treat Equity, HRSA Expanding Covid Vaccinations and HHIP Street Medicine grants for \$184,698. YTD financials include Capitation Revenue for \$1,078,323 and the 340B Pharmacy program revenue for \$183,198. Other Revenue includes revenues accrued for \$92,830 related to Purchased Services provided to SJGH by SJHC per the MOU and Interest Income of \$168,868. Total YTD Operating Revenue is unfavorable to budget by \$891,004 primarily due to budgetary underperformance of \$694,786 in the SJHC grant portfolio.

Salaries and Benefits expenses exhibit an unfavorable variance to budget by \$79,227. Other operating expenses exhibit a favorable variance of \$144,250 largely due to Purchased Services, Supplies, Interest, Insurance, Utilities, Rent and other expenses with a favorable variance of 313,140 mainly offset by unfavorable variance in Professional Fees, Dues, Repairs, Depreciation, Telephone, and miscellaneous expenses for \$168,890. An estimated expense for the Purchased Services is recorded for July and August based on the MOU. YTD expenditures are favorable to budget by \$65,024.

Unaudited, as presented, Net Loss of \$443,404 on a year-to-date basis is unfavorable compared to budget by \$825,981.

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 167 against a goal of >45 days, Days in Net Patient Receivables at 34 against a goal of <60 days, and Personnel-Related Expenses at 88% against a goal of <70%.



<p>4. <u>Adjournment (Rod Place)</u> There being no further topics of discussion, Rod Place adjourned the meeting at 5:33 p.m.</p>	<p>No attachments</p>	<p>No action required</p>
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