

Minutes of April 29, 2025

San Joaquin Health Centers Board of Directors – Finance Committee

Board Members Present: Stacy Ferreira (Interim CEO); Brian Heck (Finance); Samantha Monks (Finance Chair)

Board Members Excused Absent: Rick Ledo

Board Members Unexcused Absent: None

SJHC Staff: Michael Allen (Board Clerk); Rachna Sharma

Guests: None

AGENDA ITEM	ATTACHMENTS	ACTION
1. <u>Call to Order (Samantha Monks)</u> The meeting was called to order at 4:51 p.m. by Samantha Monks. A quorum was established for today's meeting.	No attachments	No action required
2. <u>Approval of Minutes from 3/25/2025 (Samantha Monks)</u> The minutes from March 25, 2025 were approved unanimously.	Finance Committee Minutes 2025-03-25	Brian motioned to accept the minutes from the Finance meeting on 3/25/25 and Samantha seconded; motion was approved unanimously
<u>Presentation of Financials (Rachna Sharma)</u> Year-to-date (YTD) billable visits as of March are unfavorable to budget by 27,484 visits mainly related to 28,349 billable visits included in the FY25 budget pertaining to vacant positions not filled yet. Recruitment efforts are ongoing for additional providers to fill the vacant positions. Net Patient Service Revenues for March are unfavorable to budget by \$784,079 primarily due to lower billable visits. YTD financials reflect an estimated YTD PPS liability accrual of \$225,000. YTD financials include \$596,285 related to the settlement payment received from Department of Health Care Services for FY2020 recorded in July 2024. In November, SJ Health Centers received the HEDIS incentive payment for \$1,212,593 for Year 2023 which has been reported on the FY25 balance sheet, and the related incentive revenue has been accrued in FY24. Also, additional patient service revenue has been accrued for \$29,989 in February 2025 based on the FY24 Medicare Cost Report submitted to CMS. YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of \$11,347,698. Also, YTD financials include Capitation Revenue for \$4,462,704 and 340B Pharmacy program revenue for \$2,125,665. Combined Grants Revenue includes revenues for Binational Health, ARPA, KP Health Connect, Bridge Access Program, Accelerating Readiness For An Aging Population, ECM, and HHIP Street Medicine grants for \$1,473,478. YTD financials include Hedis Gap Closure incentive revenues recognized for \$621,000 for August 2024 to March 2025 health care services. YTD Other Revenue includes revenues accrued for \$510,357 related to Purchased Services provided to SJGH by SJHC per the MOU. YTD Interest income for \$680,588 has been reflected on the financials, which is favorable compared to budget by \$335,213 mainly due to higher cash balance contained within the County	CFO Presentation – 2025-03; Finance Narrative – 2025-03	Brian motioned to advance the Finance Report to the full board and Samantha seconded; motion was approved unanimously



<p>Treasury.</p> <p>Total YTD Operating Revenue is unfavorable to budget by \$5,105,262 primarily due to lower billable visits in FY25.</p> <p>Salaries and Benefits expenses exhibit a favorable variance to budget by \$11,684,029 which is mainly related to vacant positions that have not filled yet along with the lower benefits expense. For purposes of annual budgeting, per SJ County direction, county employees purchased by SJHC were budgeted at 65% benefits cost to salaries. Year-to-date actual benefits cost as a percentage of salaries, as of March 2025 is 48%.</p> <p>Other operating expenses exhibit an unfavorable variance of \$2,576,859 largely due to an unfavorable variance for \$2,771,461 for Professional Fees, Purchased Services, Supplies, Dues, Repairs, Telephone, Travel, Insurance, Rent and Miscellaneous expenses offset by a favorable variance of \$194,602 reflected in the Depreciation, Interest, Office, Advertising, and Utilities expense categories. An estimated accrual for the Purchased Services is recorded for July through March is based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by \$9,107,170.</p> <p>Unaudited, as presented, Net Income of \$3,586,013 on year-to-date represents a favorable variance of \$4,001,907 as compared to budgeted Net Loss of \$415,894. YTD Net Income is favorable mainly due to the actual salaries and benefits expenses lower than budget along with the recognition of higher than budgeted revenues recorded related to interest income, managed care incentives, and 340B pharmacy program.</p> <p>Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 9.3% against a goal of >3%, Bottom Line Margin at 9.3% against a goal of >3%, Days Cash on Hand at 195 against a goal of >45 days, Days in Net Patient Receivables at 34 against a goal of <60 days, and Personnel-Related Expenses at 72% against a goal of <70%.</p>		
<p>3. <u>Adjournment (Samantha Monks)</u> There being no further topics for discussion, Samantha adjourned the meeting at 5:05 p.m.</p>	<p>No attachments</p>	<p>No action required</p>

Board Approval: _____ Date: _____

