

Minutes of May 27, 2025
San Joaquin Health Centers Board of Directors – Finance Committee

Board Members Present: Stacy Ferreira (Interim CEO); Rick Ledo (Finance); Samantha Monks (Finance Chair)

Board Members Excused Absent: None

Board Members Unexcused Absent: None

SJHC Staff: Rachna Sharma

Guests: None

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Samantha Monks)</u> The meeting was called to order at 4:30 p.m. by Samantha Monks. A quorum was established for today’s meeting.</p>	No attachments	No action required
<p>2. <u>Approval of Minutes from 4/29/2025 (Samantha Monks)</u> The minutes from April 29, 2025 were approved unanimously.</p>	Finance Committee Minutes 2025-04-29	Rick motioned to accept the minutes from the Finance meeting on 4/29/2025 and Samantha seconded; motion was approved unanimously
<p><u>Presentation of Financials (Rachna Sharma)</u> Year-to-date (YTD) billable visits as of April are unfavorable to budget by 31,003 visits mainly related to 32,680 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 April are unfavorable to budget by \$1,160,230 primarily due to lower billable visits. YTD financials reflect an estimated YTD PPS liability accrual of \$250,000.</p> <p>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 \$29,473 in FY2025 based on the FY24 Medicare Cost Report submitted to CMS. April financials include \$743,043 related to FY2023 Medi-Cal PPS reconciliations for payments received from DHCS in March and April.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of \$12,649,893. Also, YTD financials include Capitation Revenue for \$4,932,995 and 340B Pharmacy program revenue for \$2,307,759. 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 \$1,577,471. YTD financials include Hedis Gap Closure incentive revenues recognized for \$696,000 for August 2024 to April 2025 health care services.</p> <p>YTD Other Revenue includes revenues accrued for \$560,272 related to Purchased Services provided to SJGH by SJHC per the MOU. Also, YTD financials include revenue recognized for \$398,235</p>	CFO Presentation – 2025-04; Finance Narrative – 2025-04	Rick motioned to advance the Finance Report to the full board and Samantha seconded; motion was approved unanimously

<p>related to California Opioid Settlement payment received in April.</p> <p>YTD Interest income for \$870,806 has been reflected on the financials, which is favorable compared to budget by \$410,389 mainly due to higher cash balance contained within the County Treasury.</p> <p>Total YTD Operating Revenue is unfavorable to budget by \$5,769,953 primarily due to lower billable visits in FY25.</p> <p>Salaries and Benefits expenses exhibit a favorable variance to budget by \$12,870,341 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 April 2025 is 49%.</p> <p>Other operating expenses exhibit an unfavorable variance of \$2,911,701 largely due to an unfavorable variance for \$3,125,623 for Professional Fees, Purchased Services, Supplies, Dues, Repairs, Telephone, Travel, Insurance, Rent and Miscellaneous expenses offset by a favorable variance of \$213,922 reflected in the Depreciation, Interest, Office, Advertising, and Utilities expense categories. An estimated accrual for the Purchased Services is recorded for July through April 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 \$9,958,641.</p> <p>Unaudited, as presented, Net Income of \$4,209,129 on year-to-date represents a favorable variance of \$4,188,688 as compared to budgeted Net Income of \$20,441. 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, MOU chargeback revenue, California Opioid Settlement payment, and 340B pharmacy program.</p> <p>Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 9.8% against a goal of >3%, Bottom Line Margin at 9.8% against a goal of >3%, Days Cash on Hand at 198 against a goal of >45 days, Days in Net Patient Receivables at 35 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 5:15 p.m.</p>	<p>No attachments</p>	<p>No action required</p>