



**San Joaquin County Clinics (SJCC) Finance Committee
Minutes of January 28, 2020 Meeting**

**San Joaquin General Hospital (SJGH)
Conference Dining Room
French Camp, CA**

Present

Rod Place (SJCC Chair); Esgardo Medina (SJCC Board Member); Luz Maria Sandoval (SJCC Treasurer); David Culberson (SJGH CEO); Greg Diederich (HCS Director); Dr. Farhan Fadoo (SJCC Executive Director); Carlos Jimenez (Wipfli Consultant); Katie Poole (SJCC ACS OS) Pat Oungpasuk (Wipfli Consultant); Chris Roberts (SJGH CFO); Alice Soulligne (SJCC COO); Kris Zuniga (Interim SJCC CFO); Adelé Gribble (SJCC ACS OTC)

I. Call to Order

The meeting was called to order by Rod Place at 4:08 p.m.

II. Approval of Minutes from 11/19/19 and 12/17/19

A quorum was established for today's finance committee. The minutes were reviewed by present board members. Luz Maria Sandoval made a motion to approve the minutes from 11/19/19 and 12/17/19. Esgardo Medina seconded the motion and all members present unanimously approved the minutes.

III. Introductions

Katie Poole from ACS Administration is a guest in attendance and introduced herself to the committee. Kris Zuniga introduced himself to the committee. He works for Wipfli and is serving as Interim Chief Financial Officer of the Clinics. He has been in health care accounting over fifteen years, seven of which was in a for-profit hospital setting. He was a financial analyst and was promoted to Controller of the Hospital. The other six years were spent in the FQHC world. He has spent time in FQHCs as large as 3,600 employees and \$600,000 in net collectible revenues all the way down to \$200,000 in revenues and twenty employees. Kris' experience also includes various degrees of financial stability.

IV. Presentation of November Financials (Kris Zuniga/Chris Roberts)

Kris Zuniga advised the whole FQHC business model rests on PPS rates. A PPS rate for an FQHC is a theoretical break even. If you take a year of operation and a year of visits, it is your total costs divided by your total visits. It is the basis for FQHC reimbursement, comprises the bulk of the payment in an FQHC setting. The average FQHC is about 75% MediCal. The two best payers for an FQHC are MediCal and Medicare. The average FQHC PPS rate will be approximately \$170-\$180 per visit. Medicare will be about the same. That statistic tends to set expectation levels for those helping to set our rates. We need to juxtapose that average against what the State of California is issuing in this climate. Audits and Investigations (which is the department in the State of California that governs the PPS rates) are looking at giving us as small a rate as possible. Kris advised this is what we are currently in negotiations for. We are currently building the infrastructure of this business; we are running it, collecting on it, seeing patients etc. but the infrastructure itself upon which we are going to make decisions are still being determined. It is important that we keep this in mind when we talk about the results of financials. All of these things are somewhat preliminary until we get this fundamental piece of the business nailed down, which is still not determined when we will have that.

Below is the Income Statement as presented to the committee:

San Joaquin County Clinics
Income Statement
As of November 30, 2019

	Jul	Aug	Sep	Oct	Nov	Year to Date			
						YTD Actual	YTD Budget	Variance	% Var
Total Visits	9,995	11,085	10,018	11,580	9,453	52,131	44,072	8,059	18.3%
Billable Visits	9,436	10,386	9,516	10,788	8,938	49,064	41,479	7,585	18.3%
Medicare	236,056	297,379	380,364	292,588	318,258	1,524,645	761,569	763,076	100.2%
Medi-Cal Fee-for-Service	205,608	219,088	282,602	390,358	226,521	1,324,177	1,161,380	162,797	14.0%
Medi-Cal Managed Care	933,051	2,219,472	2,303,051	2,250,224	1,792,024	9,497,823	7,372,510	2,125,312	28.8%
Insurance	13,134	22,250	25,360	26,099	25,649	112,492	153,279	(40,787)	-26.6%
Self Pay	68,636	68,201	96,780	94,384	68,490	396,491	269,571	126,920	47.1%
Indigent	106	(16)	63	154	193	500	1,355	(855)	-63.1%
Gross Patient Revenue	1,456,592	2,826,374	3,088,220	3,053,807	2,431,136	12,856,129	9,719,665	3,136,464	32.3%
Contractual Adjustments	(498,718)	(1,494,730)	(2,292,625)	(2,022,995)	(1,696,396)	(8,005,464)	(4,534,101)	(3,471,363)	-76.6%
Other Allowances	(120,492)	(38,627)	(1,258)	(612)	901	(160,088)	(5,279)	(154,809)	-2932.5%
Net Patient Revenue	837,382	1,293,017	794,337	1,030,200	735,641	4,690,576	5,180,285	(489,709)	-9.5%
Capitation Revenue	446,785	451,203	438,369	455,595	443,730	2,235,683	2,694,832	(459,149)	-17.0%
	1,284,167	1,744,220	1,232,706	1,485,795	1,179,371	6,926,259	7,875,117	(948,858)	-12.0%
Other Revenue		0				0	0	0	100.0%
Total Net Revenue	1,284,167	1,744,220	1,232,706	1,485,795	1,179,371	6,926,259	7,875,117	(948,858)	-12.0%
Operating Expense									
Salaries	909,780	1,042,139	917,997	1,103,634	849,551	4,823,101	4,269,658	(553,442)	-13.0%
Benefits	455,187	447,909	438,518	436,607	449,805	2,228,026	2,280,620	52,594	2.3%
Total Salaries & Benefits	1,364,967	1,490,048	1,356,515	1,540,241	1,299,356	7,051,127	6,550,278	(500,849)	-7.6%
Professional Fees/Registry	69,022	185,386	62,720	108,129	66,503	491,760	315,585	(176,175)	-55.8%
Supplies	69,094	128,143	77,216	125,775	68,804	469,032	429,452	(39,580)	-9.2%
Purchased Services	39,160	56,359	42,011	92,288	41,656	271,475	512,860	241,385	47.1%
Depreciation	22,696	22,687	22,686	22,427	22,426	112,921	50,964	(61,957)	-121.6%
Other Expense	33,477	45,971	35,515	29,393	40,215	184,571	146,558	(38,012)	-25.9%
Total Direct Expense	1,598,416	1,928,594	1,596,664	1,918,253	1,538,962	8,580,887	8,005,698	(575,189)	-7.2%
Net Income (Loss)	(314,249)	(184,374)	(363,958)	(432,458)	(359,591)	(1,654,628)	(130,581)	(1,524,047)	1167.1%
Overhead Allocation	674,532	813,867	673,792	809,502	649,442	3,621,134	3,378,404	(242,730)	-7.2%
Net Income (Loss) w/ OH Allocation	(988,781)	(998,240)	(1,037,750)	(1,241,960)	(1,009,033)	(5,275,763)	(3,508,985)	(1,766,778)	50.4%
Key Ratios									
Gross Pt Revenue/Billable Visit	\$ 154.37	\$ 272.13	\$ 324.53	\$ 283.07	\$ 272.00	\$ 262.03	\$ 234.33	\$ 27.70	11.8%
Net Revenue/Billable Visit (excl Oth Rev)	\$ 136.09	\$ 167.94	\$ 129.54	\$ 137.73	\$ 131.95	\$ 141.17	\$ 189.86	\$ (48.69)	-25.6%
Direct Costs/Billable Visit	\$ 169.40	\$ 185.69	\$ 167.79	\$ 177.81	\$ 172.18	\$ 174.89	\$ 193.01	\$ 18.11	9.4%
Indirect Costs/Billable Visit	\$ 71.48	\$ 78.36	\$ 70.81	\$ 75.04	\$ 72.66	\$ 73.80	\$ 81.45	\$ 7.64	9.4%
Total Medical Cost/Billable Visit	\$ 240.88	\$ 264.05	\$ 238.59	\$ 252.85	\$ 244.84	\$ 248.70	\$ 274.45	\$ 25.76	9.4%
Net Income(Loss)/Billable Visit	\$ (104.79)	\$ (96.11)	\$ (109.05)	\$ (115.12)	\$ (112.89)	\$ (107.53)	\$ (84.60)	\$ 22.93	-27.1%
Total Cost/Patient (1)	\$ 602.20	\$ 660.13	\$ 596.48	\$ 632.13	\$ 612.11	\$ 621.74	\$ 686.13	\$ 64.39	9.4%
Net Pt Rev as % of Gross Rev	57.5%	45.7%	25.7%	33.7%	30.3%	36.5%	53.3%	-16.8%	-31.5%
Total Net Rev as % of Gross Rev	88.2%	61.7%	39.9%	48.7%	48.5%	53.9%	81.0%	-27.1%	-33.5%
Benefits as a % of Salaries	50.0%	43.0%	47.8%	39.6%	52.9%	46.2%	53.4%	7.2%	13.5%
Overhead % of Direct Exp	42.2%	42.2%	42.2%	42.2%	42.2%	42.2%	42.2%	0.0%	0.0%

Looking at the trend (which tells us how our business is doing over time), the visits seem to be in line with other months. Healthcare tends to be cyclical, we expect our visits to go down during November and December. The Net Patient Revenue is our best estimate as to what we are going to receive given the business activity for the month. There is a big difference between Gross Patient Revenue and Net Patient Revenue. In healthcare, we might provide service to one patient, but the income will be different for each patient depending on the insurance. Because of that reality, we need to examine our revenues in terms of what we are actually going to collect.

Below is the Financial Statement Comments presented by Kris.

Summary of Clinics Year to Date

Billable visits through November were favorable to budget by 7,585. Gross patient revenue is favorable to budget by \$3,136,464. However, net patient revenue is unfavorable to budget by <\$489,709> due to higher than anticipated contractual and other allowances.

Capitation revenue is unfavorable to budget. Assigned lives have been reduced by about 3,000 since July 2018. Budget assumed an increase in assigned lives, which explains the FYTD variance of <\$459,149>. Total net revenue is unfavorable to budget by <\$948,858>.

Total Direct Operating Expense is unfavorable to budget by <\$575,189>. This is primarily driven by Salaries Expense which is unfavorable by <\$553,442>. The Manteca Clinic and Primary Medicine Clinic's Physician Salary Expense exceeded budget by <\$345,710> and <\$435,879>, respectively. In addition, Professional Fees Expense is unfavorable to budget by <\$176,175>

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driven by Locums Physician Expense at Healthy Beginnings Clinic on California Street of <\$198,754>. Purchased Service Expense is favorable to budget by \$241,385 due to a favorable variance in FQ Administration of \$71,651, Children's Health Services of \$24,769, Primary Medicine of \$54,337, and Healthy Beginnings – French Camp of \$49,241. The total FYTD Net Income <Loss> before hospital overhead of <\$1,654,628> is <\$1,524,047> unfavorable to the budgeted net loss of <\$130,581>.

Total FQHC loss was primarily due to the loss generated by the Manteca Clinic of <\$711,384>. Net patient revenue as a percent of gross revenue was 20.92% for this clinic which was driven by high contractual adjustments due to a cleanup effort of older encounters. Family Medicine is generating a profit for FYTD through October of \$280,035 before overhead allocations with net patient revenue as a percentage of gross revenue at 42.05%.

Additional Factors Impacting Clinic Performance Presentation

- Hospital overhead remains at 42.2% pending a detailed review by CFO and FQHC Finance Director to identify a more appropriate overhead allocation for the clinics.
- Supplemental funding derived by the hospital (PRIME, DSH/GPP, QIP) as a result of work done by the FQHC clinics is not included in this reporting at this time.
- Currently, revenue from the clinics is not reflective of the actual visits in any given month. The Hospital Finance department is working with clinic staff to reconcile reports to actual visits checked out from each clinic. This will assist with developing the accrual methodology for revenues.

The above bullet points are comments that existed prior to Kris arriving at our clinic. They affect our financials in the way they are presented, specific to this operation that directly reflect the results as we see them, almost as a disclaimer on the financials. Two are revenue side and one is expense side. The first point is the Overhead allocation which articulates that the clinic and hospital financial leadership are going to work together to get a proper representation of what overhead allocation is represented on the FQHC income statement. The second piece is a revenue piece, stating there could be other revenues we are not recognizing on our income statement that we perhaps should be. The accrual of revenues, our methodology for recognizing that net revenue number needs work.

Mr. Culberson stated the contractuals for Manteca Clinic are significantly different and he would like more information as to why. Chris Roberts advised he will follow up and provide more information directly to Mr. Culberson during the month.

Carlos stated Manteca is still being paid on a much lower interim rate because when we set their interim rate, they had never operated as a clinic before and therefore did not previously have a rate setting done.

Below is the Income Statement for the YTD ending November 30, 2019:

	Children's Health Services (#7080)	Family Medicine (#7092)	Family Practice - Ca (#7093)	Primary Medicine (#7096)	Healthy Beginnings - Ca (#7182)	Healthy Beginnings - French Camp (#7183)	Hazleton Clinic (#7184)	Manteca Clinic (#7185)	FQ Admin.	Total	YTD Budget	YTD Variance - Fav (Unf)	% Var - Fav (Unf)
Total Visits	8,490	9,580	2,362	17,600	4,046	2,149	2,552	5,352	-	52,131	112,257	(60,126)	-53.6%
Billable Visits	7,564	9,150	2,240	17,031	4,046	2,132	1,717	5,184	-	49,064	112,257	(63,193)	-56.3%
Productive FTEs (Provider)	3.4	2.6	1.8	11.7	2.1	1.3	1.4	4.3	-	28.6	28.3	(0.4)	-1.4%
Productive FTEs (Non-Provider)	14.8	13.8	6.8	29.3	14.1	6.0	6.7	12.5	9.3	113.3	105.3	(8.0)	-7.6%
Total FTEs	18.2	16.4	8.6	41.0	16.2	7.4	8.1	16.8	9.3	141.9	133.6	(8.4)	-6.3%
Total Hours/Visit	2.17	3.46	1.23	1.42	1.88	1.56	1.19	1.17	-	2.49	1.43	(1.06)	-73.7%
Patient Revenue													
Medicare	0	312,916	110,936	930,474	26,315	22,450	21,628	99,926	0	1,524,645	761,569	763,076	100.2%
Medi-Cal	326,793	223,340	17,275	124,818	361,049	99,669	95,554	75,679	0	1,324,177	1,161,380	162,797	14.0%
Medi-Cal Managed Care	2,184,388	1,630,716	382,773	2,625,967	1,006,013	482,414	238,183	947,368	0	9,497,823	7,372,510	2,125,313	28.8%
Insurance	8,963	33,279	8,584	34,456	6,507	11,211	2,489	7,003	0	153,279	153,279	(40,787)	-26.6%
Self Pay	23,833	125,961	20,095	112,043	30,618	15,411	20,193	48,336	0	396,491	269,571	126,920	47.1%
Indigent	0	500	0	0	0	0	0	0	0	500	1,355	(855)	-63.1%
Gross Revenue	2,543,977	2,326,712	598,669	3,827,757	1,430,500	631,154	378,048	1,178,313	0	12,856,129	9,719,665	3,136,464	32.3%
Contractual Adjustments	(1,878,038)	(1,342,140)	(298,350)	(2,255,768)	(808,156)	(947,668)	(186,417)	(888,927)	0	(8,005,464)	(4,534,101)	(3,471,363)	-76.6%
Other Allowances	(1,989)	(6,117)	(1,409)	(8,223)	(1,569)	(1,699)	(96,165)	(42,918)	0	(160,088)	(5,279)	(154,809)	-2932.5%
Net Patient Revenue	663,951	978,455	299,904	1,563,765	620,776	281,787	95,466	246,467	0	4,690,576	5,180,285	(489,709)	-9.5%
Physician Capitation- PMPM	397,486	401,855	103,324	752,058	166,966	95,194	64,373	254,427	0	2,235,683	2,694,832	(459,148)	-17.0%
	1,061,438	1,380,310	343,228	2,315,824	787,741	376,981	159,839	500,894	0	6,926,259	7,875,117	(948,858)	-12.0%
Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0	100.0%
Total Operating Revenue	1,061,438	1,380,310	343,228	2,315,824	787,741	376,981	159,839	500,894	0	6,926,259	7,875,117	(948,858)	-12.0%
EXPENSES													
Salaries	549,101	501,037	237,653	1,549,522	442,301	235,876	293,055	636,174	378,382	4,823,101	4,269,780	(553,320)	-13.0%
Benefits	265,423	226,617	131,371	564,569	247,329	133,196	198,506	317,140	143,876	2,228,027	2,280,620	52,594	2.3%
Total Salaries & Benefits	814,524	727,653	369,023	2,114,091	689,630	369,071	491,561	953,314	522,258	7,051,127	6,550,400	(500,727)	-7.6%
Professional Fees/Registration	13,000	72,949	0	75,287	198,754	0	0	0	131,771	491,760	315,585	(176,175)	-55.8%
Supplies	36,407	111,326	14,354	128,665	48,202	37,018	25,337	41,275	26,248	469,032	429,452	(39,580)	-9.2%
Purchased Services	23,146	14,374	13,892	690	48,207	32,021	1,140	1,320	136,684	271,475	512,860	241,385	47.1%
Depreciation	3,233	11,451	810	5,692	12,028	0	61,994	16,974	0	112,921	50,964	(61,957)	-121.6%
Other Expense	31,572	11,496	19,995	12,159	23,632	4,038	363	78,665	2,653	184,571	146,558	(38,013)	-25.9%
Total Expenses	921,883	949,249	418,074	2,331,635	1,014,116	454,174	518,601	1,136,568	836,588	8,580,888	8,005,820	(575,068)	-7.2%
Allocation of Direct Admin Exp	168,561	151,026	34,864	245,676	95,075	41,460	24,215	75,710	0	636,588	0	0	0.0%
Total Expenses excl Hosp OH	1,090,444	1,100,275	452,937	2,577,311	1,109,191	495,634	542,816	1,212,278	-	8,580,888	8,005,820	(575,068)	-7.2%
Profit/(Loss) before Hosp OH	(29,006)	280,035	(109,709)	(261,487)	(321,450)	(118,653)	(382,977)	(711,384)	-	(1,654,628)	(130,703)	(1,523,925)	1165.9%
Overhead Allocation	460,167	464,316	191,140	1,087,625	468,079	209,158	229,068	511,581	0	3,621,135	3,378,040	(243,095)	-7.2%
Total Expenses	1,550,611	1,564,592	644,077	3,664,937	1,577,270	704,791	771,884	1,723,859	0	12,202,022	11,384,224	(817,798)	-7.2%
Net Income (Loss)	(489,174)	(184,282)	(300,849)	(1,349,113)	(795,528)	(327,810)	(612,045)	(1,222,965)	0	(5,275,763)	(3,509,107)	(1,766,656)	-50.3%

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Key Ratios													
Net Pt Rev as % of Gross Rev	26.1%	42.1%	44.5%	40.9%	43.4%	44.6%	25.3%	20.9%	0.0%	36.5%	53.3%	-16.8%	-31.5%
Total Net Rev as % of Gross Rev	41.7%	59.3%	63.6%	60.5%	55.1%	59.7%	42.3%	42.5%	0.0%	53.9%	81.0%	-27.1%	-33.5%
Benefits as a % of Salaries	48.3%	45.2%	55.3%	36.4%	55.9%	56.5%	67.7%	49.9%	38.0%	46.2%	53.4%	7.2%	13.5%
Overhead % of Direct Expenses	49.9%	48.9%	45.7%	46.6%	46.2%	46.1%	44.2%	45.0%	0.0%	42.2%	42.2%	0.0%	0.0%
Gross Revenue per Billable Visit	336.33	254.29	240.92	224.75	353.56	296.04	220.18	227.30	0.00	262.03	234.33	27.70	11.8%
Net Revenue per Billable Visit	140.33	150.85	153.23	135.98	194.70	176.82	93.09	96.62	0.00	141.17	189.86	(48.69)	-25.6%
Direct Costs/Billable Visit	121.88	103.74	186.64	136.91	250.65	213.03	302.04	219.25	0.00	174.89	193.01	18.12	9.4%
Indirect Costs/Billable Visit	60.84	50.74	85.33	63.86	115.69	98.10	133.41	98.68	0.00	73.80	81.45	7.64	9.4%
Total Medical Cost/Billable Visit	205.00	170.99	287.53	215.19	389.83	330.58	449.55	332.53	0.00	248.70	274.46	25.76	9.4%
Total Cost/Patient (1)	512.50	427.48	718.84	537.98	974.59	826.44	1,123.89	831.34	0.00	621.74	686.14	64.40	9.4%
Net Income(Loss)/Billable Visit	(64.67)	(20.14)	(134.31)	(79.22)	(195.14)	(153.76)	(356.46)	(235.91)	0.00	(107.53)	(84.60)	(22.93)	-27.1%
Payer Mix													
Medicare	0.0%	13.4%	20.6%	24.3%	1.8%	3.6%	5.7%	8.5%	0.0%	11.9%	7.8%	4.0%	51.4%
Medi-Cal	12.8%	9.6%	9.2%	3.3%	25.2%	15.8%	25.3%	6.4%	0.0%	10.3%	11.9%	-1.6%	-13.8%
Medi-Cal Managed Care	85.9%	70.1%	70.9%	68.6%	70.3%	76.4%	63.0%	80.4%	0.0%	73.9%	75.9%	-2.0%	-2.6%
Insurance	0.4%	1.4%	1.6%	0.9%	0.5%	1.8%	0.7%	0.6%	0.0%	0.9%	1.6%	-0.7%	-44.5%
Self Pay / Indigent	0.9%	5.4%	3.7%	2.9%	2.1%	2.4%	5.3%	4.1%	0.0%	3.1%	2.8%	0.3%	10.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	0.0%	0.0%

(1) Average Visits per Patient is 2.5; per a study conducted by the ACS Director

V. Accounts Receivables Status / KPI (Lynn Kelly)

Chris Roberts advised Lynn Kelly is not in today and therefore not in attendance for today's meeting. Kris Zuniga stated the PFS Accounts Receivable Aging Analysis for SJCC needs work and he will reserve presentation until this report has been refined and revised.

VI. EMMI Agreement (Rod Place)

David Culberson advised the agreement with EMMI went before the Board of Supervisors two weeks ago and it was approved by the Board.

VII. Wipfli Update on Rate Settings (Carlos Jimenez)

Carlos Jimenez stated the five legacy clinics are currently under audit by MediCal of what is called their final rate setting cost reports. Those reports were filed based on FY15. They are still working with the state auditors who have not yet come back to Wipfli with a response of No or Yes, they are still reviewing the material sent to them. The leadership has decided we will take a slightly different approach; the state has an escalation process that allows us to take the audit, appeal to the people in Sacramento who oversee FQHCs and try to get a meeting together to discuss the issues on a larger level as we have no idea where the auditors presently are.

Carlos advised last month he advised the committee that our statutory deadline expires at the end of February, they have to issue a report by then. As part of this process, assuming the state is willing to go forward with this escalation, we will ask for another thirty or sixty days. Carlos advised, as our consultants, they felt we needed to do something different to move this process along. Wipfli will keep the leadership updated as they receive more information. Carlos will have an update as to whether the state has agreed to this other level of negotiation or if they came back by the time we meet next month. If the state does not agree to this, then we are likely to accept the reports as they presently are and have to go into an appeal process. Carlos explained Wipfli has had significant success with the escalation process with the state.

Carlos advised we are getting paid a certain amount per visit for each clinic based on what we filed back in 2015. There is an estimate made and we are anticipating different scenarios in our financial statements but until those rates get issued final, we don't have real numbers. It is important to understand the best estimate is made right now, but until these audits get settled, it is difficult to move forward, make plans, understand what we will be paid, etc.

Dr. Fadoo asked Carlos to provide progress update on the reconciliation effort so the committee knows what is happening on that side. Carlos advised every year you have to file a reconciliation and that primarily represents the difference between what the Health Plan of San Joaquin pays us and what the PPS rate is (the amount the state will pay for MediCal services). An example would be, the plan pays us \$40 per visit and our PPS rate is \$160. That means at the end of the year we file a report that tries to reconcile. After HPSJ has billed and paid us their \$40, the clinic would turn around and bill the state for the difference and ideally, we would be paid. At the end of the year we have to reconcile all the claims we had, payments we had from the plan, the payments the state made to us to make us whole, and then we determine what the actual amount is that we owe, or we reconcile it. This is called a PPS reconciliation and we have to file this every year for each clinic.

Due in large part to the difficulty in getting data from HPSJ, our FY18 (FY17/18) are still outstanding. We just got another extension which will only last sixty days, so we are all under the gun to get those FY17/18 reconciliations filed. We are already somewhat overdue for FY18/19 but we also have a granted extension on those. This has been a recurring issue, not just for SJCC but the state is looking at a lot of alternatives on these, possibly having the health plans report directly to them instead of giving us the data. He advised they will keep the staff updated on these. These are just filing, understanding that the report is filed with our interim rates. Starting with 2015, those reconciliations ultimately have to be corrected/fixed to have the final rate in them. These are sitting out there for a number of years while rate settings are still going on. Though we are filing the reconciliations, the final settlement of those reconciliations are also contingent upon getting the final payment rate under PPS. It is a long drawn out process, no different than anyone else. Carlos stated they have been very successful in our case in keeping the state from trying to collect a preliminary reconciliation that was filed. We know we will owe them money. Carlos advised that now that Kris is in place, he is getting the updates as we move along.

VIII. Adjournment (Rod Place)

The meeting adjourned at 4:45 p.m.

Attachments: Minutes of November 19, 2019 and December 17, 2019
Financial Statement Comments and Statements YTD through November 2019