



**San Joaquin County Clinics (SJCC) Finance Committee  
Minutes of March 31, 2020 Meeting**

**San Joaquin General Hospital (SJGH)  
Web Conference Meeting  
French Camp, CA**

Present

Rod Place (SJCC Chair); Luz Maria Sandoval (SJCC Treasurer); Ismael Cortez (SJCC Secretary); Brian Heck (SJCC Board Member); Greg Diederich (HCS Director); Dr. Farhan Fadoo (SJCC Executive Director); Lynn Kelly (SJGH Pt. Financial Services Deputy Director); Monica Nino (SJ County Administrator); Chris Roberts (SJGH CFO); Alice Souligne (SJCC COO); Kris Zuniga (Interim SJCC CFO); Carlos Jimenez (Wipfli); Marguerite Hawes (EMMI); Mike Leonard (EMMI); Cyril Seligman (EMMI); Adèle Gribble (SJCC ACS OTC)

I. Call to Order

The meeting was called to order by Rod Place at 4:02 p.m.

II. Approval of Minutes from February 25, 2020

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 02/25/2020. Brian Heck seconded the motion and all members present unanimously approved the minutes.

III. Introductions

Due to this being a web conference, everyone introduced themselves verbally.

IV. EMMI Presentation (EMMI Representatives)

Cyril Seligman thanked SJCC for allowing her company to work for the clinics and stated they appreciate the opportunity. They started in January 2020. In the beginning they experienced some challenges, with documentations required by Medicare but these have ironed themselves out. Below is the presentation prepared for the board:

EMMI PRESENTATION FOR FINANCE COMMITTEE

March 31, 2020

INITIAL CHALLENGES ENCOUNTERED AND ADDRESSED DURING IMPLEMENTATION IN JANUARY 2020

- Documentation required by Medicare to change the billing entity from SJGH to EMMI
- Ability to bill follow-up visits for the same patient with a physician other than the one originally seen (Modifier code 77)
- Documentation required by Medicare and Medi-Cal to enroll EMMI to receive electronic remittance advices
- Ability to document HPSJ payments/adjudicated claims for FQHC billings submitted by EMMI

As a result of the issues identified above, billing for January services was delayed approximately eight weeks. This had a corresponding impact on collections as shown below.

YEAR TO DATE COLLECTIONS

January	\$	8,127.00	does not relate to money collected for services for 2019
February	\$	987,391.76	
March 24	\$	1,269,130.77	[expect this to be closer to \$1.6 by end of March]

CONTROL PROCESSES/PROCEDURES IMPLEMENTED

- EMMI reconciles completed appointments against daily visits to ensure that no encounters are missed.
- EMMI provides SJCC/Hospital with a list of encounters that are not on the appointment log.
- EMMI places claims on hold that do not have complete physician report – the list is provided to Angela Ayala.

REPORTING AND MONITORING

- EMMI and SJCC/Hospital are working collaboratively to develop and refine daily, weekly, and monthly reports for the purposes of contract compliance, recording patient utilization and revenue, and billing and collection.
- EMMI is providing real time modifications to its reporting in response to requests from the SJCC/Hospital team

BILLING AND FOLLOW-UP

- EMMI is coding and billing all encounters within the 14-day HRSA requirement.
- EMMI is currently billing claims within two business days of ~~charge~~ receipt of accurate encounter/visit data.
- EMMI works denials within 3 business days of receipt of the denial, in collaboration with the SJCC/Hospital team.

Cyril stated they were delayed about eight weeks before they were up and running which had a corresponding compact reflection shown below.

January was very slow, EMMI collected \$8,127.00, mostly co-pays at the time of service of the patients visiting the clinics. In February they collected \$987,391.76. March through today, they have collected \$1,664,482.43. A lot of the January, February and some March payments were reflected in that figure. Rod Place stated this is a huge improvement from the past and asked what our run rate has been up to date (how much are we averaging in collections per month). Kris Zuniga stated collections are mimicking our net revenues for the month, anywhere from \$750,000 to \$1,000,000 dollars in collections. Cyril stated the figures presented is for catching up, reflected in the presentation, they were not able to bill for about eight weeks for some of the major payers because of system enrollment issues. This is reflective of what was paid this month, banked this month but for services that represent January, February and March.

Monica Nino asked, looking in January, all of a sudden in MediCal Managed Care, it is close to doubling, in January, the additional million plus that was collected, is it primarily all in that MediCal Managed Care line item or dispersed among all the other items.

Chris Roberts stated what is reflected in January in the income statement has nothing to do with the collections that EMMI is doing so far. What is reflected in the income statement is basically estimates on billable visits for the month of January which typically won't have the cash related until the following month. As Chris has mentioned during previous meetings, what is happening in January is what would happen during our transition to EMMI, is that our old system of PWPM recognize the revenue as the claims came through, because we did not have a way to accrue the revenue. There is \$1.8 million in that line that is specific to old PWPM claims that are finally being released from the backlog and we will also see that again in February and will finally tail off in March. This has nothing to do with the collections, these are expected collections.

Monica asked how we would take the revenue that Cyril is doing and correct, one would think, once we know what our collections are, we would fix either going forward or behind instead of using estimates to make sure our actuals are truly reflective of that tool. Chris responded that healthcare is always estimates in the month in which you are presenting. What will happen as we move away from PWPM and more to EMMI's reports, those reports will be accurate from a month standpoint on the charges and the collections will follow thirty days out to give us a better trending in order to estimate from. On a YTD basis, you will have the best available data and your estimates on a month to month will track with a YTD trend. This is typical of any healthcare environment. We are always going to be off from a timing standpoint on cash collections, this is why we use zero balance reports. This is the

historical collection rate on paid accounts and that is what we use to estimate from so there is no discrepancy of how we come up with estimates. During this transition, you will see a little bit of both systems overlapping. Monica stated she has never had a level of confidence what was appearing on these reports were accurate from a cash perspective. Even if it is thirty days in arrears, that catch up period, you need to base it upon what you are truly collecting so that eventually your other allowances, your contractual adjustments relate in the end to what you are writing off.

Chris acknowledged we have not had accurate reports in the past which we can now do, getting revenues in the months the patients were seen and we would have accurate charges. We will have better data on collectability once there is a track record with EMMI's reports for a couple of months, we will have a better track record by payer that we can use as estimates which will be fairly accurate going forward.

Cyril stated the control process and procedures were implemented so they reconciled completed appointments against the daily visits to ensure every single encounter is accounted for and not missed. They provide the clinics with a list of encounters that are not on the appointment log. EMMI places claim on hold that do not have a completed physicians report, the list is provided to Angela Ayala, so she can prompt the physicians to complete their reports. EMMI and the hospital are working collaboratively to develop and refine daily, weekly and monthly reports for the purpose of contract compliance as well as revenue and billing. They are providing real time modifications to the reporting and response to the requirements from the clinics and hospital team. EMMI is billing and following up, coding, billing all encounters within the fourteen days. They are billing within two business days of receipt of accurate encounter data. They are working anything out within three business days of receipt.

Rod Place asked what kind of reports will the clinics start to see in the next thirty days, to give us an idea of what is happening. Marguerite Hawes stated there are several different reports they are currently providing. The first report they are working with Kris Zuniga are the Key Performance Indicator (KPI) and adding information Kris has requested. They are also giving a detailed line itemed report of all the services billed as well as everything that was paid. This will be cumulative. They will also be providing an A/R Aging Report, Financial Summaries. They are providing daily reports that indicate charges that were missed; scheduled patients completed; a charge that did not come through; add-ons – did not appear on the schedule but they are receiving the charge. Coding changes are being provided weekly, because of all the fluidity of telemedicine currently going on. Kris stated the reporting is a work in progress they are working collaboratively on and have made strides to improve what is being reported from EMMI, so we can have source data for purposes of things like revenue recognition, everything Chris Roberts described above and other things as well. These EMMI reports will be sources of our accounting and record keeping for our financials. Rod Place requested a report at the board level for the Finance Committee. Rod stated he wants to ensure the board sees and inspects the reports, so they have the ability to catch something early on if something looks awry.

Kris advised he will work to bring an accurate report before the Finance Committee as requested for next month's meeting on April 28, 2020.

Being that there was nothing further to be presented by EMMI, Cyril Seligman, Marguerite and Mike Leonard exited the meeting at 4:35pm.

V. Presentation of January 2020 Financials (Kris Zuniga)

Kris Zuniga stated for the months preceding November, all of the revenues reported were from the PWPM (the legacy system) and those revenues directly registered on the accounting records of the organization and that is what was reported every month. For the month of November and December, we had the need to accrue for revenues that were not registering in PWPM and Chris Roberts and his team did that. They had a combination of what is registering in the system and a portion of what is being accrued based on an accrual methodology.

For the month of January, there are no PWPM registered charges. All of these charges reside within the EMMI system, we knew this approaching the January financials, it did not take us by surprise, but it does mandate we develop a system for accruing our revenues and that system is taking our billable

visits and assigning collection values to that billable visits. In collaboration with our accounting team, we took data from PWPM that spoke to historical collection by location and were able to utilize historical collection amounts per visit per site. In addition to that, we are continuously refining the way we count our visits.

Kris presented the financials shown below:

**Summary of Clinics Year to Date**

*Billable visits through January were favorable to budget by 12,122. Gross patient revenue is favorable to budget by \$6,534,124. However, net patient revenue is unfavorable to budget by <\$379,079> due to higher than anticipated contractual and other allowances.*

*Capitation revenue is unfavorable to budget. Assigned lives have been reduced by about 4,000 since July 2018. The FY20 budget assumed an increase in assigned lives, which explains the FYTD variance of <\$685,410>. Total net revenue is unfavorable to budget by <\$1,064,489>.*

*On a year-to-date basis, total Direct Operating Expense is unfavorable to budget by <\$1,123,022>. This is primarily driven by Salaries & Benefits Expense which is unfavorable by <\$1,049,444>. The Manteca Clinic and Primary Medicine Clinic's Salary Expense exceeded budget by <\$489,507> and <\$489,448>, respectively. Similarly, Benefits Expense exceeded budget by <157,108> at Manteca and by <\$66,206> at Primary Medicine. Additionally, Benefits Expense at Hazelton exceeded budget by <222,288>.*

*Professional Fees Expense is unfavorable to budget by <\$173,826> driven by Locums Physician Expense at Healthy Beginnings Clinic on California Street of <\$143,504>. Purchased Service Expense is favorable to budget by \$284,102 due to a favorable variance in Health Beginnings – French Camp of \$81,778, Primary Medicine of \$76,355, Children's Health of \$45,714, and Family Medicine of \$32,691.*

*The total FYTD Net Income <Loss> before hospital overhead of <\$2,164,203> is <\$2,187,511> unfavorable to the budgeted net income of \$23,309. Total FQHC loss was primarily due to the losses generated by the Healthy Beginnings – California Clinic of <\$659,328>, Manteca Clinic of <\$892,361>, and Hazelton of <\$361,107>.*

**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.*

Below is the income statement as of January 31, 2020

# Finance Committee Minutes of March 31, 2020

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	YTD Actual	YTD Budget	Variance	% Var
<b>Total Visits</b>	9,995	11,085	10,018	11,580	9,453	9,396	13,424	74,951	62,505	12,446	19.9%
<b>Billable Visits</b>	9,436	10,386	9,516	10,788	8,938	8,923	12,849	70,836	58,714	12,122	20.6%
<b>Patient Revenue</b>											
Medicare	236,056	297,379	380,364	292,588	318,258	318,833	533,369	2,376,847	1,087,886	1,288,961	118.5%
Medi-Cal Fee-for-Service	205,608	219,088	282,602	390,358	226,521	233,111	592,998	2,150,286	1,606,518	543,768	33.8%
Medi-Cal Managed Care	933,051	2,219,472	2,303,051	2,250,224	1,792,024	1,771,824	3,486,176	14,755,823	10,319,395	4,436,428	43.0%
Insurance	13,134	22,250	25,360	26,099	25,649	23,734	69,409	205,636	214,551	(8,915)	-4.2%
Self Pay	68,636	68,201	96,780	94,384	68,490	79,545	178,791	654,827	379,792	275,035	72.4%
Indigent	106	(16)	63	154	193	16	250	766	1,919	(1,153)	-60.1%
<b>Gross Patient Revenue</b>	<b>1,456,592</b>	<b>2,826,374</b>	<b>3,088,220</b>	<b>3,053,807</b>	<b>2,431,136</b>	<b>2,427,063</b>	<b>4,860,993</b>	<b>20,144,185</b>	<b>13,610,061</b>	<b>6,534,124</b>	<b>48.0%</b>
Contractual Adjustments	(490,716)	(1,493,673)	(2,292,309)	(2,022,995)	(1,696,396)	(1,698,124)	(3,403,011)	(13,105,226)	(6,343,542)	(6,761,684)	-106.6%
Other Allowances	(120,450)	(40,743)	(1,258)	(612)	901	3,442	(0)	(158,761)	(7,242)	(151,518)	-209.21%
<b>Net Patient Revenue</b>	<b>837,382</b>	<b>1,291,960</b>	<b>794,653</b>	<b>1,030,200</b>	<b>735,641</b>	<b>732,381</b>	<b>1,457,982</b>	<b>6,880,198</b>	<b>7,259,277</b>	<b>(379,079)</b>	<b>-5.2%</b>
Capitation Revenue	446,785	451,203	438,369	455,595	443,730	439,413	429,808	3,104,904	3,790,314	(685,410)	-18.1%
<b>Total Net Revenue</b>	<b>1,284,167</b>	<b>1,743,163</b>	<b>1,233,023</b>	<b>1,485,795</b>	<b>1,179,371</b>	<b>1,171,794</b>	<b>1,887,790</b>	<b>9,985,102</b>	<b>11,049,591</b>	<b>(1,064,489)</b>	<b>-9.6%</b>
<b>Operating Expense</b>											
Salaries	909,780	1,042,139	917,997	1,103,634	849,551	855,621	850,294	6,529,026	5,759,522	(769,504)	-13.4%
Benefits	455,187	447,909	438,518	436,607	449,805	455,351	822,811	3,506,188	3,226,248	(279,940)	-8.7%
<b>Total Salaries &amp; Benefits</b>	<b>1,364,967</b>	<b>1,490,048</b>	<b>1,356,515</b>	<b>1,540,241</b>	<b>1,299,356</b>	<b>1,310,982</b>	<b>1,673,105</b>	<b>10,035,214</b>	<b>8,985,769</b>	<b>(1,049,445)</b>	<b>-11.7%</b>
Professional Fees/Registry	69,022	185,386	62,720	108,129	66,503	89,211	34,674	615,645	441,819	(173,826)	-39.3%
Supplies	69,094	128,143	77,216	125,775	68,804	108,849	73,391	651,273	604,401	(46,872)	-7.8%
Purchased Services	39,160	56,359	42,011	92,288	41,656	35,859	126,587	433,921	718,024	(284,102)	-39.6%
Depreciation	22,696	22,687	22,686	22,427	22,426	22,426	22,426	157,774	71,038	(86,736)	-122.1%
Other Expense	33,477	45,971	35,515	29,393	40,215	23,364	48,541	255,477	205,231	(50,246)	-24.5%
<b>Total Direct Expense</b>	<b>1,598,416</b>	<b>1,928,594</b>	<b>1,596,664</b>	<b>1,918,252</b>	<b>1,538,962</b>	<b>1,589,691</b>	<b>1,978,725</b>	<b>12,149,304</b>	<b>11,026,282</b>	<b>(1,123,022)</b>	<b>-10.2%</b>
<b>Net Income (Loss)</b>	<b>(314,249)</b>	<b>(185,431)</b>	<b>(363,641)</b>	<b>(432,457)</b>	<b>(359,591)</b>	<b>(417,897)</b>	<b>(90,935)</b>	<b>(2,164,203)</b>	<b>23,309</b>	<b>(2,187,511)</b>	<b>9384.7%</b>
Overhead Allocation	674,532	813,867	673,792	809,502	649,442	670,850	835,022	5,127,006	4,653,091	(473,915)	-10.2%
<b>Net Income (Loss) w/ OH Allocation</b>	<b>(988,781)</b>	<b>(999,297)</b>	<b>(1,037,433)</b>	<b>(1,241,959)</b>	<b>(1,009,033)</b>	<b>(1,088,747)</b>	<b>(925,957)</b>	<b>(7,291,209)</b>	<b>(4,629,781)</b>	<b>(2,661,426)</b>	<b>-57.5%</b>

### Key Ratios

Gross Pt Revenue/Billable Visit	\$ 154.37	\$ 272.13	\$ 324.53	\$ 283.07	\$ 272.00	\$ 272.00	\$ 378.32	\$ 284.38	\$ 231.80	\$ 52.58	22.7%
Net Revenue/Billable Visit (excl Oth Rev)	\$ 136.09	\$ 167.84	\$ 129.57	\$ 137.73	\$ 131.95	\$ 131.32	\$ 146.92	\$ 140.96	\$ 188.19	\$ (47.23)	-25.1%
Direct Costs/Billable Visit	\$ 169.40	\$ 185.69	\$ 167.79	\$ 177.81	\$ 172.18	\$ 178.16	\$ 154.00	\$ 171.51	\$ 187.80	\$ 16.28	8.7%
Indirect Costs/Billable Visit	\$ 71.48	\$ 78.36	\$ 70.81	\$ 75.04	\$ 72.66	\$ 75.18	\$ 64.99	\$ 72.38	\$ 79.25	\$ 6.87	8.7%
Total Medical Cost/Billable Visit	\$ 240.88	\$ 264.05	\$ 238.59	\$ 252.85	\$ 244.84	\$ 253.34	\$ 218.99	\$ 243.89	\$ 267.05	\$ 23.15	8.7%
Net Income(Loss)/Billable Visit	\$ (104.79)	\$ (96.22)	\$ (109.02)	\$ (115.12)	\$ (112.89)	\$ (122.02)	\$ (72.06)	\$ (102.93)	\$ (78.85)	\$ 24.08	-30.5%
Total Cost/Patient (1)	\$ 602.20	\$ 660.13	\$ 596.48	\$ 632.13	\$ 612.11	\$ 633.35	\$ 547.46	\$ 609.73	\$ 667.61	\$ 57.88	8.7%
Net Pt Rev as % of Gross Rev	57.5%	45.7%	25.7%	33.7%	30.3%	30.2%	30.0%	34.2%	53.3%	(19.2%)	-36.0%
Total Net Rev as % of Gross Rev	88.2%	61.7%	39.9%	48.7%	48.5%	48.3%	38.8%	49.6%	81.2%	(31.6%)	-38.9%
Benefits as a % of Salaries	50.0%	43.0%	47.8%	39.6%	52.9%	53.2%	96.8%	53.7%	56.0%	2.3%	4.1%
Overhead % of Direct Exp	42.2%	42.2%	42.2%	42.2%	42.2%	42.2%	42.2%	42.2%	42.2%	0.0%	0.0%
Gross Patient AR (in 000s)											
Less Reserves (in 000s)											
Net AR (in 000s)											
Wrap AR (in 000s)											
Gross AR Days											
Cash Receipts (in 000s)											

Below is the detailed Income Statement for showing each clinic for YTD ending January 31, 2020:

	Children's Health Services (#77080)	Family Medicine (#77092)	Family Practice - Ca (#77093)	Primary Medicine (#77096)	Healthy Beginnings - Ca (#77182)	Healthy Beginnings - French Camp (#77183)	Hazletton Clinic (#77184)	Manteca Clinic (#77185)	FG Admin	Total	YTD Budget	YTD Variance - Fav (Unf)	% Var - Fav (Unf)
<b>Total Visits</b>	12,266	13,557	3,292	24,598	6,607	3,151	3,408	8,072	-	74,951	62,505	12,446	19.9%
<b>Billable Visits</b>	11,000	13,016	3,123	23,792	6,607	3,022	2,446	7,830	-	70,836	58,714	12,122	20.6%
Productive FTEs (Provider)	3.4	2.4	1.6	10.5	2.0	1.2	1.3	4.6		28.3	27.0	1.2	4.3%
Productive FTEs (Non-Provider)	14.8	15.1	6.8	27.5	13.7	5.9	6.8	13.4	10.2	114.2	105.3	(8.9)	-8.4%
Total FTEs	18.2	17.5	8.5	38.1	15.7	7.1	8.1	17.9	10.2	141.2	133.6	(7.7)	-5.7%
Total Hours/Visit	2.79	4.75	1.66	1.95	2.81	2.09	1.63	1.48		2.26	1.79	(0.47)	-26.0%
<b>Patient Revenue</b>													
Medicare	0	487,068	153,352	1,446,925	43,463	31,585	45,045	169,409	0	2,376,846	1,087,886	1,288,961	118.5%
Medi-Cal	541,144	341,783	27,062	246,783	511,603	152,742	161,885	167,284	0	2,150,286	1,606,518	543,768	33.8%
Medi-Cal Managed Care	3,333,838	2,594,202	603,726	4,146,928	1,397,525	653,391	413,371	1,612,841	0	14,755,822	10,319,395	4,436,427	43.0%
Insurance	16,077	58,378	17,810	55,696	15,963	17,783	11,349	12,581	0	205,637	214,551	(8,914)	-4.2%
Self Pay	23,218	187,987	31,830	187,392	69,796	21,600	40,514	92,490	0	654,827	379,792	275,035	72.4%
Indigent	0	766	0	0	0	0	0	0	0	766	1,919	(1,153)	-60.1%
<b>Gross Revenue</b>	<b>3,914,276</b>	<b>3,670,184</b>	<b>833,780</b>	<b>6,083,225</b>	<b>2,038,348</b>	<b>877,100</b>	<b>672,164</b>	<b>2,054,006</b>	<b>0</b>	<b>20,144,184</b>	<b>13,610,061</b>	<b>6,534,122</b>	<b>48.0%</b>
Contractual Adjustments	(3,041,448)	(2,144,996)	(404,657)	(3,669,641)	(1,518,666)	(525,960)	(271,271)	(1,438,588)	0	(13,105,226)	(6,343,542)	(6,761,684)	-106.6%
Other Allowances	(3,047)	(6,117)	(1,409)	(9,280)	(1,569)	(1,699)	(96,165)	(39,476)	0	(158,761)	(7,242)	(151,518)	-209.21%
<b>Net Patient Revenue</b>	<b>869,781</b>	<b>1,519,071</b>	<b>337,714</b>	<b>2,404,804</b>	<b>518,114</b>	<b>349,442</b>	<b>304,729</b>	<b>576,543</b>	<b>0</b>	<b>6,880,197</b>	<b>7,259,277</b>	<b>(379,080)</b>	<b>-5.2%</b>
Physician Capitation - PMPM	570,876	556,054	144,494	1,012,422	235,802	126,251	82,950	376,056	0	3,104,904	3,790,314	(685,410)	-18.1%
<b>Total Operating Revenue</b>	<b>1,440,658</b>	<b>2,075,125</b>	<b>482,207</b>	<b>3,417,226</b>	<b>753,916</b>	<b>475,693</b>	<b>387,678</b>	<b>952,598</b>	<b>0</b>	<b>9,985,102</b>	<b>11,049,591</b>	<b>(1,064,489)</b>	<b>-9.6%</b>
<b>Expenses</b>													
Salaries	766,784	706,854	329,844	1,958,862	602,102	307,083	387,136	896,457	573,904	6,529,026	5,759,522	(769,504)	-13.4%
Benefits	423,234	386,569	207,601	888,350	372,619	181,127	278,752	514,281	253,655	3,506,188	3,226,248	(279,940)	-8.7%
<b>Total Salaries &amp; Benefits</b>	<b>1,190,019</b>	<b>1,093,423</b>	<b>537,445</b>	<b>2,847,213</b>	<b>974,720</b>	<b>488,209</b>	<b>665,888</b>	<b>1,410,738</b>	<b>827,559</b>	<b>10,035,214</b>	<b>8,985,769</b>	<b>(1,049,444)</b>	<b>-11.7%</b>
Professional Fees/Registration	25,405	78,480	0	86,580	146,504	9,800	0	268,877	0	615,645	441,819	(173,826)	-39.3%
Supplies	49,695	143,049	27,583	187,823	62,513	51,159	32,550	67,162	29,739	651,273	604,401	(46,872)	-7.8%
Purchased Services	21,718	14,839	13,162	7,19	47,478	32,051	1,140	1,470	301,343	433,921	718,024	(284,102)	-39.6%
Depreciation	4,523	15,719	1,134	1,040	7,968	16,836	0	86,791	23,763	157,774	71,038	(86,736)	-122.1%
Other Expense	35,044	16,585	22,485	13,370	26,738	4,818	626	130,299	4,653	255,477	205,231	(50,246)	-24.5%
<b>Total Expenses</b>	<b>1,327,303</b>	<b>1,362,095</b>	<b>601,769</b>	<b>3,136,743</b>	<b>1,265,921</b>	<b>602,873</b>	<b>700,204</b>	<b>1,696,461</b>	<b>1,455,935</b>	<b>12,149,303</b>	<b>11,026,282</b>	<b>(1,123,022)</b>	<b>-10.2%</b>
Allocation of Direct Admin Exp	282,907	265,265	60,262	439,705									

Kris stated is reasonable to expect that we should see some of these pickups in the next couple issued financial statements as well because of the backlog.

VI. Accounts Receivables Status / KPI (Kris Zuniga)

Kris Zuniga presented PFS Accounts Receivable Aging Analysis for SJCC for the month of January 2020. The DNFB (Discharged Not Final Billed) for the current month is just over \$3 million. One way to think about the DNFB would be the accrued patient receivables and we may use that term going forward instead of DNFB.

PFS Accounts Receivable Aging Analysis For SJCC									
For the Month of January 2020									
Aging Category	MediCare	MediCal	Commercial	Self Pay	Total Aging This Month	Total Aging Last Month	\$ Increase (Decrease)	% Increase (Decrease)	
DNFB	345,997	2,565,423	49,397	78,782	3,039,599	1,465,355	1,574,244	107.43%	
1-30 Days	340,585	1,491,534	158,991	(30,891)	1,960,219	680,473	1,279,746	188.07%	
31-60 Days	204,956	744,243	64,307	8,382	1,021,888	789,420	232,468	29.45%	
61-90 Days	153,277	461,598	37,482	7,045	659,402	895,039	(235,637)	-26.33%	
91-120 Days	176,781	507,276	46,872	13,146	744,076	668,779	75,297	11.26%	
121-180 Days	274,319	611,455	76,917	29,294	991,985	804,578	187,407	23.29%	
181-240 Days	225,593	248,669	40,633	24,041	538,935	629,931	(90,996)	-14.45%	
241-270 Days	101,945	110,288	20,317	11,668	244,218	248,757	(4,539)	-1.82%	
271-365 Days	400,678	201,335	39,789	42,664	684,466	810,572	(126,106)	-15.56%	
366 Days & Over	354,308	176,904	33,702	41,660	606,573	474,336	132,238	27.88%	
<b>Total FC This Month</b>	<b>2,578,439</b>	<b>7,118,725</b>	<b>568,408</b>	<b>225,790</b>	<b>10,491,362</b>	<b>7,467,240</b>	<b>3,024,123</b>	<b>40.50%</b>	
<b>Total FC Last Month</b>	<b>2,099,284</b>	<b>4,754,036</b>	<b>411,863</b>	<b>202,056</b>	<b>7,467,240</b>				
<b>\$ Increase (Decrease)</b>	<b>479,154</b>	<b>2,364,689</b>	<b>156,545</b>	<b>23,734</b>	<b>3,024,123</b>				
<b>% Increase (Decrease)</b>	<b>22.82%</b>	<b>49.74%</b>	<b>38.01%</b>	<b>11.75%</b>	<b>40.50%</b>				
Monthly Management Summary									
	Beginning A/R Balance	DNFB	Gross Services Billed	Disallowances/ Discounts	Payments	Adjustments	Ending A/R Balance		
January Activity	7,467,240	3,039,599	1,928,728	(1,656,647)	(263,106)	(24,451)	10,491,362		
PFS Key Performance Indicators for SJCC									
	January	December	November	October	September	August	Increase (Decrease)		
Gross A/R Days	121	121	114	123	139	153	0		
Net A/R	2,500,641	3,006,647	2,967,642	2,990,493	2,960,862	3,078,429	(506,006)		
Net A/R Days	100	120	106	114	119	125	(20)		

Kris stated one of the things uncovered during Wipfli's work was these aging schedules traditionally presented to the board was not based on day of service. This is something they would like to change going forward. At SJCC they have traditionally presented aging schedules off of claim date. In collaboration with hospital accounting they will change that and the March report will be generated based on dates of service.

Carlos Jimenez stated the report will be far more accurate and more closely track the efforts and increase EMMI's efforts with billing and collections (date of service).

VII. Wipfli Update on Rate Settings (Carlos Jimenez)

Carlos Jimenez advised we had a bump this month pertaining to the pandemic. The department (DHCS) came to us and asked SJCC to approve another time extension. Ultimately it was all related to COVID-19 and all the impacts. It would not have been to our best interest to refuse since DHCS do not have any production capability remote. The date is now May 30<sup>th</sup>. Kris Zuniga and Carlos have another conference call with the department tomorrow. They are getting down to the final number of things they want. Wipfli has already involved Alison Clinton, the Section Chief for FQHC in Sacramento and she is overseeing the process more closely. Carlos stated they are hoping to bring some closure tomorrow on the last of the data requests from the state. The problem they are having right now is the State does not understand certain ways SJCC did things and reported them, so they

have been on an endless cycle. They have had repeated requests on the same things. A practical take on just one thing, in the year that the rate settings were done, there were some services HCS provided to SJCC. There were some people, some hours, some various specific things done, those were transferred internally, and the expenses ended up within SJCC. The latest request from DHCS was asking for invoices and contracts. We already sent them all the documentation that HCS passed to SJCC, showing who the people are, how many hours they worked, what their hourly rates were and included a summary of the work they performed for those hours yet DHCS cannot understand.

Carlos expects within the next couple of weeks we should wrap up the process, do some final discussion about whatever adjustments they want and then we will be done. He is carefully optimistic he will be able to provide a better update during the April meeting.

Monica Nino advised she would like Wipfli to prepare an answer for next month as it relates to what the potential exposure is. If there is an exposure, has this money been set aside or is this cash we will pull out of the hospital. Carlos stated he is hesitant to provide something too preliminary since all of these proposed adjustments are still out there. Unfortunately, the department goes through the entire process and at the end they say what they are going to remove, eliminate, amend etc. Suffice to say, he has numerous scenarios and calculations that can be readily adapted as soon as he knows what the adjustments will be. As soon as they get the finals, they will come back with an analysis of impact.

VIII. Adjournment (Rod Place)

Rod Place adjourned the meeting at 4:59 p.m.

Attachments: Minutes of February 25, 2020  
Finance Narrative  
Income Statement as of 01/31/20 and Income Statement for YTD ending 01/31/20 for individual clinics.  
PFS Accounts Receivable Aging Analysis for SJCC for the month of January 2020