

**Minutes of August 29, 2022**  
**San Joaquin Health Centers Board of Directors – Finance Committee**

**Board Members Present:** Farhan Fadoo (SJHC CEO); Monica Fuentes (Finance Committee); Rod Place (Interim Finance Chair)

**Board Members Excused Absent:**

**Board Members Unexcused Absent:** Esgardo Medina (Finance Committee)

**SJHC Staff:** Michael Allen (Board Clerk); Alice Souligne (COO); Kris Zuniga (CFO)

**Guests:** none

AGENDA ITEM	ATTACHMENTS	ACTION
<p><b>1. <u>Call to Order (Rod Place, Interim Board Chair)</u></b>            The meeting was called to order at 5:07 p.m. A quorum was established for today's meeting.</p>	No attachments	No action required
<p><b>2. <u>Approval of Minutes from 7/25/2022 (Rod Place, Interim Board Chair)</u></b>            Minutes from July 25, 2022 were approved unanimously.</p>	Finance Committee Meeting Minutes 2022-07-25	Monica motioned to approve the minutes and Rod seconded; motion was approved unanimously
<p><b>3. <u>Presentation of Financials (Kris Zuniga, CFO)</u></b>            Billable visits for July are unfavorable to budget by 151 visits. Net Patient Service Revenues for July are \$172,039 less than budget. July financials reflect a PPS reconciliation liability accrual of \$25,000.</p> <p>Medi-Cal cost settlement payments for \$667,770 related to PPS reconciliations for FY2020 are reflected on the July financials.</p> <p>Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$1,280,629. Combined Grants Revenue includes revenues for Behavioral Health Integration and American Rescue Plan (ARP) grants for \$1,119,609. Also, July grant revenues are higher than budget due to the recognition of American Rescue Plan (ARP) grant revenue for \$765,299 for activity related to January 2021 through June 2021 period. Capitation and Managed Care Incentives include the Capitation Revenue with a favorable variance to budget by \$13,999. Also, Other Income includes the 340B Pharmacy Program revenue for \$189,106 and the program related expenses for \$72,112 are included in Supplies &amp; Other Expenses categories on the financials. Other Revenue includes revenues accrued for \$59,192 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$10,234. Total Net Operating Revenues are favorable to budget by \$1,010,141.</p> <p>Salaries and benefits expenses exhibit an unfavorable variance to budget by \$150,629. Other operating expenses exhibit an unfavorable variance of \$540,739 largely due to Purchased Services and Interest Expense with favorable variance of \$175,088 mainly offset by unfavorable variance in Professional Fees, Supplies, Depreciation, and Other Expenses for \$715,827. An estimated expense for the Purchased Services is recorded for July based on the MOU.</p>	Finance Committee Report – Aug 2022	No action required

<p>Unaudited, as presented, Net Income of \$153,732 for July is favorable compared to budget by \$318,772.</p> <p>Capital Link benchmarks were reviewed, showing Operating Margin at 3% against a goal of &gt;3%, Bottom Line Margin at 3% against a goal of &gt;3%, Days Cash on Hand at 60 against a goal of &gt;45 days, Days in Net Patient Receivables at 43 against a goal of &lt;60 days, and Personnel-Related Expenses at 70% against a goal of &lt;70%.</p>		
<p><b>4. <u>Update on 2020-21 Audits (Kris Zuniga, CFO)</u></b> We have received a draft version of the audit and an Audit Committee will be convened in September for presentation.</p>	No attachments	No action required
<p><b>5. <u>Adjournment (Rod Place, Interim Board Chair)</u></b> There being no further topics of discussion, Rod Place adjourned the meeting at 5:18 p.m.</p>	No attachments	No action required