

Minutes of September 26, 2022
San Joaquin Health Centers Board of Directors – Finance Committee

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

Board Members Excused Absent: none

Board Members Unexcused Absent: none

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

Guests: none

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Rod Place, Interim Finance Chair)</u> The meeting was called to order at 5:08 p.m. A quorum was established for today's meeting.</p>	<p>No attachments</p>	<p>No action required</p>
<p>2. <u>Approval of Minutes from 8/29/2022 (Rod Place, Interim Finance Chair)</u> Minutes from August 29, 2022 were approved unanimously.</p>	<p>Finance Committee Meeting Minutes 2022-08-29</p>	<p>Monica motioned to accept the minutes and Rod seconded; motion was approved unanimously</p>
<p>3. <u>Presentation of Financials (Kris Zuniga, CFO)</u> Billable visits for August are favorable to budget by 183 visits. Net Patient Service Revenues for August are favorable to budget by \$28,060. YTD financials reflect a PPS reconciliation liability accrual of \$50,000. YTD Medi-Cal payments for \$774,165 have been reflected on the Balance Sheet for FY2018 and FY2019 according to the payment plan with DHCS. YTD Income Statement includes interest expense of \$45,476 for PPS liability payments made to DHCS for FY2018 and FY2019. YTD financials include funds transferred for \$1,459,315 to San Joaquin County as a payment for payroll and benefits paid by San Joaquin County on behalf of SJ Health for July 2022.</p> <p>Medi-Cal cost settlement payments for \$667,770 related to PPS reconciliations for FY2020 are reflected on the YTD financials.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$2,561,257. Combined Grants Revenue includes revenues for Behavioral Health Integration and American Rescue Plan (ARP) grants for \$1,363,826. Also, YTD 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 in July. Capitation and Managed Care Incentives include the Capitation Revenue with a favorable variance to budget by \$35,535. Also, Other Income includes the 340B Pharmacy Program revenue for \$303,715 and the program related expenses for \$76,087 are included in Supplies & Other Expenses categories on the financials. YTD financials reflect First Responder Program revenue for \$200. YTD Other Revenue includes revenues accrued for \$116,687 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 \$1,054,819.</p>	<p>CFO Presentation 2022-08; Finance Narrative – 2022-08</p>	<p>No action required</p>

<p>YTD Salaries and benefits expenses exhibit a favorable variance to budget by \$324,611. Other operating expenses exhibit an unfavorable variance of \$950,129 largely due to Purchased Services with a favorable variance of \$165,314 mainly offset by unfavorable variance in Professional Fees, Purchased Services, Supplies, Interest, Depreciation, and Other Expenses for \$1,115,443. An estimated expense for the Purchased Services is recorded for July and August based on the MOU.</p> <p>Unaudited, as presented, Net Income of \$443,035 on a year-to-date basis is favorable compared to budget by \$429,301.</p> <p>Capital Link benchmarks were reviewed, showing Operating Margin at 4% against a goal of >3%, Bottom Line Margin at 5% against a goal of >3%, Days Cash on Hand at 69 against a goal of >45 days, Days in Net Patient Receivables at 49 against a goal of <60 days, and Personnel-Related Expenses at 68% against a goal of <70%.</p> <p>Significant delay in AR aging due to staffing shortages at SJGH. We are working with the hospital to help reduce the delay as much as possible. Reduction in delays expected over next two months.</p>		
<p>4. Adjournment (Rod Place, Interim Finance Chair) There being no further topics of discussion, Rod Place adjourned the meeting at 5:20 p.m.</p>	<p>No attachments</p>	<p>No action required</p>