

Minutes of March 28, 2022

San Joaquin County Clinics Board of Directors – Finance Committee

Board Members Present: Paul Antigua (Treasurer, Finance Chair); Farhan Fadoo (SJCC CEO); Monica Fuentes; Escardo Medina (Quality Committee)

Board Members Excused Absent: Rod Place

Board Members Unexcused Absent: none

SJCC Staff: Michael Allen (Board Clerk); Alice Soulligne (COO); Kris Zuniga (CFO)

Guests: none

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Paul Antigua)</u> The meeting was called to order at 5:03 p.m. A quorum was established for today's meeting.</p>	No attachments	No action required
<p>2. <u>Approval of Minutes from February 22, 2022 (Paul Antigua)</u> A quorum was established and the minutes were approved unanimously.</p>	Finance Committee Minutes 2022-02-22	Esgardo motioned to approve the minutes and Paul seconded; motion was approved unanimously
<p>3. <u>Presentation of Financials (Kris Zuniga, CFO)</u> Billable visits for February are favorable to budget by 166 visits. YTD visits have been updated on the December financials due to an updated report received for the additional visits (1,602 visits) that were not captured in the previous months. Additional Patient Revenues have been recorded accordingly. This new methodology has no impact on patient collections. Net Patient Revenues for February are \$150,591 greater than budget. YTD financials reflect a PPS reconciliation liability accrual of \$200,000. YTD Medi-Cal payments for \$2,519,165 have been reflected on the Balance Sheet for FY2015, FY2016, and FY2017 according to the payment plan with DHCS. YTD Income Statement includes interest expense of \$143,626 for PPS liability payments made to DHCS for FY2015, FY2016, and FY2017. YTD financials includes \$8.1M payment from SJGH related to the finalization of FY2020 financial statement audit and according to the separation agreement between SJGH and SJ Health. Also, YTD financials include \$4.1 payment from SJGH related to unaudited FY2021 financial statement and according to the separation agreement between SJGH and SJ Health. YTD financials include funds transferred for \$9,575,840 to San Joaquin County as a payment for payroll and benefits paid by San Joaquin County on behalf of SJ Health from July 2021 through January 2022.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$7,977,319. Combined Grants Revenue includes revenues for Essential Access Title X, SOR2, Whole Person Care, Behavioral Health Integration, Health Net, American Rescue Plan (ARP) and other grants for \$1,553,024. Capitation and Managed Care Incentives include the YTD Capitation Revenue with an unfavorable variance to budget by \$512,070 mainly due to non-recognition of HEDIS revenue during the year. Also, Other Income includes the 340B Pharmacy Program revenue for \$911,797 and the program related expenses for \$659,941 are included in Supplies & Other Expenses categories on the</p>	CFO Presentation 2022-02	

<p>financials. YTD financials reflect First Responder Program revenue for \$10,000. YTD Other Revenue includes revenues accrued for \$459,103 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$14,698. Total Net Operating Revenues are favorable to budget by \$1,385,415.</p> <p>YTD Salaries and benefits expenses exhibit an unfavorable variance to budget of \$570,648. Other operating expenses exhibit an unfavorable variance of \$673,946 largely due to Purchased Services with favorable variance of \$917,300 mainly offset by unfavorable variance in Professional Fees, Supplies, Interest and Miscellaneous Expenses \$1,591,246. An estimated expense for the Purchased Services is recorded from July through February based on the MOU.</p> <p>Unaudited, as presented, Net Income of \$1,315,514 on a year-to-date basis is favorable compared to budget by \$140,821.</p> <p>Metrics compared to Capital Link benchmarks: Operating Margin is 2% (goal >3%), Bottom Line Margin is 5% (goal >3%), Days Cash on Hand is 94 (goal is >30-45 days), Days in Net Patient Receivables is 25 (goal is <60 days), and Personnel-Related Expense is 73% (goal is <70%).</p> <p>Discussed the difficulty of balancing lower hourly wages against higher benefits costs as it regards employee retention and new hire attraction.</p>		
<p>4. Adjournment (Paul Antigua) There being no further topics of discussion, Rod Place adjourned the meeting at 5:31 p.m.</p>	<p>No attachments</p>	<p>No action required</p>