

Minutes of April 25, 2022

San Joaquin County Clinics Board of Directors – Finance Committee

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

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 5:08 p.m. A quorum was established for today's meeting.</p>	No attachments	No action required
<p>2. <u>Approval of Minutes from April 25, 2022 (Paul Antigua)</u> A quorum was established and the minutes from March 28, 2022 were approved unanimously.</p>	Finance Committee Minutes 2022-03-28	Esgardo motioned to approve the minutes and Monica seconded; motion was approved unanimously
<p>3. <u>Presentation of Financials (Kris Zuniga, CFO)</u> Billable visits for March are favorable to budget by 2,222 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 March are \$481,155 greater than budget. YTD financials reflect a PPS reconciliation liability accrual of \$225,000. YTD Medi-Cal payments for \$2,830,968 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 \$161,579 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 \$11,016,199 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 February 2022.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$8,974,484. 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 \$1,927,874. Capitation and Managed Care Incentives include the YTD Capitation Revenue with an</p>	CFO Presentation 2022-03	Esgardo motioned to approve the finance report and Monica seconded; motion was approved unanimously

<p>unfavorable variance to budget by \$564,839 mainly due to non-recognition of HEDIS revenue during the year. Also, Other Income includes the 340B Pharmacy Program revenue for \$998,810 and the program related expenses for \$724,911 are included in Supplies & Other Expenses categories on the financials. YTD financials reflect First Responder Program revenue for \$10,000. YTD Other Revenue includes revenues accrued for \$505,229 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 \$1,957,323.</p> <p>YTD Salaries and benefits expenses exhibit an unfavorable variance to budget of \$543,672. March financials include a favorable adjustment of \$533,333 to true up the estimated accrued expenses related to Residents' Salaries and Benefits and Other Expenses from July through February. Other operating expenses exhibit an unfavorable variance of \$694,312 largely due to Purchased Services with favorable variance of \$955,963 mainly offset by unfavorable variance in Professional Fees, Supplies, Interest and Miscellaneous Expenses \$1,650,275. An estimated expense for the Purchased Services is recorded from July through March based on the MOU.</p> <p>Unaudited, as presented, Net Income of \$2,040,869 on a year-to-date basis is favorable compared to budget by \$719,339.</p> <p>Capital Link benchmarks show operating margin at 4% against a target of >3%, bottom line margin at 7% against a target of >3%, days cash on hand at 96 days against a target of >45 days, days in net patient receivables at 35 against a target of <60 days, and personnel-related expenses at 73% against a target of <70%.</p>		
<p>4. <u>Update on 2020-21 Audits</u> Our primary auditor has left BKD and has been replaced, but this will result in some delays in completion. Some duplication of prior efforts are underway to bring new auditor up to speed. We have requested a revised target date for the final results. The only required deadline is from the federal clearing house, which is in September 2022, so there is no cause for concern.</p>		
<p>5. <u>Adjournment (Paul Antigua)</u> There being no further topics of discussion, Paul Antigua adjourned the meeting at 5:32 p.m.</p>	<p>No attachments</p>	<p>No action required</p>