

**Minutes of January 31, 2023**  
**San Joaquin Health Centers Board of Directors – Finance Committee**

**Board Members Present:** Farhan Fadoo (CEO); **Monica Fuentes (Finance)\***; **Samantha Monks (Finance)\***; Rod Place (Interim Finance Chair)

**Board Members Excused Absent:** none

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

**SJHC Staff:** Michael Allen; Barbara Kissinger-Santos; Alice Soulligne; Kris Zuniga

**Guests:** none

AGENDA ITEM	ATTACHMENTS	ACTION
<p><b>1. <u>Call to Order (Rod Place)</u></b>            The meeting was called to order at 4:04 p.m. A quorum was established for today's meeting.</p>	<p>No attachments</p>	<p><b>No action required</b></p>
<p><b>2. <u>Approval of Minutes from 12/27/2022 (Rod Place)</u></b>            Minutes from December 27, 2022 were approved unanimously.</p>	<p>Finance Committee Meeting Minutes 2022-12-27</p>	<p><b>Samantha motioned to approve the minutes and Monica seconded; motion was approved unanimously</b></p>
<p><b>3. <u>Presentation of Financials (Kris Zuniga)</u></b>            Billable visits for December are favorable to budget by 149. Net Patient Service Revenues for December are favorable to budget by \$5,476.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$6,967,473. Based on the most recent information received on the QIP distribution, YTD financials include adjustments for \$182,089 for July through September 2022 and \$352,120 for January through June 2021 respectively. Combined Grants Revenue includes revenues for Behavioral Health Integration, Discovery Challenge Academy, SOR2, Enhanced Care Management and American Rescue Plan (ARP) grants for \$2,996,337. 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 are trending higher than budget with a favorable variance of \$136,296. YTD Other Revenue includes revenues accrued for \$335,423 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$25,306. Also, MOU and other income include YTD rent revenue from SJGH for \$59,044 related to the Manteca clinic respectively offset by rent expense as recommended by the auditors. Total YTD Operating Revenue is favorable to budget by \$1,104,452.</p> <p>YTD Salaries and benefits expenses exhibit a favorable variance to budget by \$3,072,841 mostly due to lower than budgeted salaries and benefits for SJGH providers and employees providing services for the clinics. Also, Salaries and Benefits expenses are low due to YTD adjustment recorded in November to true up the payroll liabilities. Other operating expenses exhibit an unfavorable variance of \$3,132,332 largely due to Purchased Services with a favorable variance of 402,308 mainly offset by unfavorable</p>	<p>CFO Presentation 2022-12; Finance Narrative_2022-12</p>	<p><b>No action required</b></p>



<p>variance in Professional Fees, Supplies, Interest, Depreciation, and Other Expenses for \$3,534,640. An estimated expense for the Purchased Services is recorded from July through December based on the MOU. Total YTD expenditures are unfavorable to budget by \$59,491.</p> <p>Unaudited, as presented, Net Income of \$1,266,257 on a year-to-date basis is favorable compared to budget by \$1,044,961.</p> <p>PFS payment issues update: EMMI now has access to the payment information needed to post the payments to patients' accounts, which has resulted in the decline in AR days.</p> <p>Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 4% against a goal of &gt;3%, Bottom Line Margin at 5% against a goal of &gt;3%, Days Cash on Hand at 52 against a goal of &gt;45 days, Days in Net Patient Receivables at 41 against a goal of &lt;60 days, and Personnel-Related Expenses at 65% against a goal of &lt;70%.</p>		
<p><b>4. <u>Adjournment (Rod Place)</u></b> There being no further topics of discussion, Rod Place adjourned the meeting at 4:20 p.m.</p>	<p>No attachments</p>	<p>No action required</p>

