



San Joaquin County Clinics (SJCC)

Minutes of April 26, 2021  
FINANCE Committee Meeting Minutes

San Joaquin County Clinics  
Web Conference Call

**PRESENT:**

Rod Place (SJCC Board Chair); Alicia Yonemoto (SJCC Board Vice-Chair); Esgardo Medina (SJCC Co-Treasurer); Dr. Farhan Fadoo (SJCC CEO); Alice Souligne (SJCC COO); Kristopher Zuniga (SJCC CFO); Michael J. Allen (Office Secretary); Adelé R. Gribble (SJCC Board Clerk)

**EXCUSED:**

Brian Heck (SJCC Board Member)

**ABSENT:**

Luz Maria Sandoval (SJCC Co-Treasurer):

AGENDA ITEM	ATTACHMENTS	ACTION
<p><b>1. <u>Call to Order (Rod Place, SJCC Board Chair)</u></b></p> <p>The meeting was called to order by Rod Place at 4:05 p.m. A quorum was established for today's meeting. Everyone was notified the meeting is being recorded.</p>	No Attachments	No Action Required
<p><b>2. <u>Approval of Minutes of 02/22/21 (Rod Place, SJCC Board Chair)</u></b></p> <p>The minutes were reviewed by present board members. Esgardo Medina made a motion to approve the minutes from February 22, 2021, Alicia Yonemoto seconded the motion and present members unanimously approved the minutes.</p>	(Attachment 2) Finance Committee Meeting Minutes from February 22, 2021	Motion to approve minutes from 02/22/21 – Esgardo Medina; Seconded – Alicia Yonemoto. Committee unanimously approved the minutes.
<p><b>3. <u>Introductions (Rod Place, SJCC Board Chair)</u></b></p> <p>There were no introductions for this meeting</p>	No Attachments	No Action Required
<p><b>4. <u>Presentation of December 2020 &amp; January 2021 Financials (Kris Zuniga, SJCC CFO)</u></b></p> <p>Below are the results for both February and March 2021. For the month of February, we had 8,969 billable visits and in March we had 10,648 billable visits. YTD actual basis billable visits are 86,308 against a budgeted amount of 81,040 for a favorable variance for billable visits YTD of 5,268.</p>	(Attachments 4) Finance Narrative YTD through March 2021; Income Statement 2021-03; Income Statement by Cost Center 2021-03	No Action Required

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<p>On a Net Patient Revenue Basis for the month of February we had \$841,213 whereas in March we registered \$1.5M in Net Patient Revenue. For Other Revenue we recognized a huge increase for Grant Revenues for both February and March. In February, we had \$227K and in March we recognized an entire award amount of our HRSA-LAL grant that was funding for our COVID efforts of approximately \$608K which is included in the amount of \$877K for March. Total Net Revenue for February is \$1.8M and for March it is \$3M.</p> <p>On a YTD basis, that represented \$23M in net revenues against a budget of \$14M, giving us a favorable variance of \$9M for net revenues (roughly \$4.5M is due to adjustments for prior year PPS reconciliation liabilities).</p> <p>Total Salaries and Benefits – February were \$1M and \$1.6M for the month of March. The increase in March is largely due to recognition of physicians and other providers who spend all of their time in the FQHC; some of their salaries and benefits were being charged to the hospital so this was corrected. On a YTD basis we have \$11M in Total Salaries and Benefits against a budgeted amount of \$10.2 for an unfavorable variance of approximately \$800K.</p> <p>Total Direct Expenses – February were \$1.4M against revenues of \$1.8M so there is net income of \$388K and in March the total direct expenses were \$2.2M against \$3M in revenues for \$900K for Net income before Supplemental Revenues and Overhead Allocation.</p> <p>Net Income for February is \$388K and March has \$900K. On a YTD basis, we have \$8.4M compared to a budget of \$563K for a favorable variance of approximately \$7.9M.</p> <p>For the Supplemental Revenues and Overhead Allocations presented in the past, these figures have been estimates. These were not featured in the general ledger which is the financial records of SJGH or SJCC. Kris advised these will be reflected in future finance reports and is highlighted in this month’s Income Statement attached to reflect actual amounts. The financial results of the organization will change because of these material amounts. Kris advised we will discuss significantly more in expenditures end revenues compared to what is shown this month.</p> <p>Kris highlighted the following excerpt from the Financial Statement Comments:</p> <p><i>Unaudited, as presented, net income inclusive of the estimated overhead allocation and estimated supplemental revenues is \$9,188,733 on a year-to-date basis which is greater than budget by \$7,508,324. We expect these results of operation to change materially with the finalization of a pending SJCC/SJGH MOU associated with the SJCC/SJGH separation retroactively effective 7/1/20.</i></p> <p><b><u>Additional Factors Impacting Clinic Performance Presentation</u></b></p> <ul style="list-style-type: none"> <li>• <i>Estimated hospital overhead allocated to the clinics has been changed to 33% of direct expenses</i></li> <li>• <i>Supplemental revenues are estimates that have not yet been agreed to by both SJCC and SJGH (this was for March, in April financials we have come to an agreement)</i></li> <li>• <i>YTD financials are pending an anticipated material YTD expense gap adjustment due to the final SJCC costs identification work in progress associated with the SJCC/SJGH separation. These costs will replace the “Overhead Allocation” line item on the financials.</i></li> </ul>		

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<p><b><u>Other Material Notes</u></b></p> <ul style="list-style-type: none"> <li>SJGH has submitted to its independent auditor history-to-date financial adjustments which effectively have resulted in SJCC being a breakeven operation as of 6/30/2020.</li> </ul>																																																																																																																																																																																																																	
<p><b>5. <u>Accounts Receivables Status / KPI (Kris Zuniga, SJCC CFO)</u></b></p> <p>Kris Zuniga presented the Accounts Receivable Aging Analysis for SJCC for the month of March 2021. He advised A/R is going very well (see below).</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="9" style="text-align: center;">SJCC Accounts Receivable Aging Analysis For the Month of March 2021</th> </tr> <tr> <th style="text-align: center;">Aging Category</th> <th style="text-align: center;">MediCare</th> <th style="text-align: center;">MediCal</th> <th style="text-align: center;">Commercial</th> <th style="text-align: center;">Self Pay</th> <th style="text-align: center;">Total Aging This Month</th> <th style="text-align: center;">Total Aging Last Month</th> <th style="text-align: center;">\$ Increase (Decrease)</th> <th style="text-align: center;">% Increase (Decrease)</th> </tr> </thead> <tbody> <tr> <td>1-30 Days</td> <td style="text-align: right;">154,173</td> <td style="text-align: right;">1,332,419</td> <td style="text-align: right;">52,541</td> <td style="text-align: right;">30,236</td> <td style="text-align: right;">1,569,368</td> <td style="text-align: right;">1,834,608</td> <td style="text-align: right;">(265,239)</td> <td style="text-align: right;">-14.46%</td> </tr> <tr> <td>31-60 Days</td> <td style="text-align: right;">47,628</td> <td style="text-align: right;">(31,551)</td> <td style="text-align: right;">78,912</td> <td style="text-align: right;">23,868</td> <td style="text-align: right;">118,857</td> <td style="text-align: right;">253,779</td> <td style="text-align: right;">(134,922)</td> <td style="text-align: right;">-53.17%</td> </tr> <tr> <td>61-90 Days</td> <td style="text-align: right;">51,377</td> <td style="text-align: right;">38,545</td> <td style="text-align: right;">65,740</td> <td style="text-align: right;">23,841</td> <td style="text-align: right;">179,502</td> <td style="text-align: right;">143,355</td> <td style="text-align: right;">36,146</td> <td style="text-align: right;">25.21%</td> </tr> <tr> <td>91-120 Days</td> <td style="text-align: right;">27,450</td> <td style="text-align: right;">40,312</td> <td style="text-align: right;">11,124</td> <td style="text-align: right;">17,820</td> <td style="text-align: right;">96,706</td> <td style="text-align: right;">167,689</td> <td style="text-align: right;">(70,983)</td> <td style="text-align: right;">-42.33%</td> </tr> <tr> <td>121-180 Days</td> <td style="text-align: right;">34,297</td> <td style="text-align: right;">56,325</td> <td style="text-align: right;">22,057</td> <td style="text-align: right;">12,069</td> <td style="text-align: right;">124,748</td> <td style="text-align: right;">256,382</td> <td style="text-align: right;">(131,634)</td> <td style="text-align: right;">-51.34%</td> </tr> <tr> <td>181-240 Days</td> <td style="text-align: right;">40,499</td> <td style="text-align: right;">51,125</td> <td style="text-align: right;">16,429</td> <td style="text-align: right;">4,467</td> <td style="text-align: right;">112,520</td> <td style="text-align: right;">147,466</td> <td style="text-align: right;">(34,945)</td> <td style="text-align: right;">-23.70%</td> </tr> <tr> <td>241-270 Days</td> <td style="text-align: right;">9,290</td> <td style="text-align: right;">22,676</td> <td style="text-align: right;">7,820</td> <td style="text-align: right;">8,309</td> <td style="text-align: right;">48,094</td> <td style="text-align: right;">110,000</td> <td style="text-align: right;">(61,906)</td> <td style="text-align: right;">-56.28%</td> </tr> <tr> <td>271-365 Days</td> <td style="text-align: right;">(8,383)</td> <td style="text-align: right;">52,647</td> <td style="text-align: right;">23,735</td> <td style="text-align: right;">19,913</td> <td style="text-align: right;">87,912</td> <td style="text-align: right;">172,903</td> <td style="text-align: right;">(84,990)</td> <td style="text-align: right;">-49.16%</td> </tr> <tr> <td>366 Days &amp; Over</td> <td style="text-align: right;">9,465</td> <td style="text-align: right;">11,073</td> <td style="text-align: right;">36,140</td> <td style="text-align: right;">13,685</td> <td style="text-align: right;">70,364</td> <td style="text-align: right;">40,534</td> <td style="text-align: right;">29,830</td> <td style="text-align: right;">73.59%</td> </tr> <tr> <td></td> <td style="text-align: center;">15%</td> <td style="text-align: center;">65%</td> <td style="text-align: center;">13%</td> <td style="text-align: center;">6%</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Total FC This Month</b></td> <td style="text-align: right;">365,796</td> <td style="text-align: right;">1,573,571</td> <td style="text-align: right;">314,498</td> <td style="text-align: right;">154,208</td> <td style="text-align: right;">2,408,072</td> <td style="text-align: right;">3,126,716</td> <td style="text-align: right;">(718,643)</td> <td style="text-align: right;">-22.98%</td> </tr> <tr> <td><b>Total FC Last Month</b></td> <td style="text-align: right;">511,184</td> <td style="text-align: right;">2,153,654</td> <td style="text-align: right;">292,495</td> <td style="text-align: right;">169,383</td> <td style="text-align: right;">3,126,716</td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>\$ Increase (Decrease)</b></td> <td style="text-align: right;">(145,388)</td> <td style="text-align: right;">(580,083)</td> <td style="text-align: right;">22,002</td> <td style="text-align: right;">(15,175)</td> <td style="text-align: right;">(718,643)</td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>% Increase (Decrease)</b></td> <td style="text-align: right;">-28.44%</td> <td style="text-align: right;">-26.93%</td> <td style="text-align: right;">7.52%</td> <td style="text-align: right;">-8.96%</td> <td style="text-align: right;">-22.98%</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <table border="1" style="width: 100%; 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<p>EMMI Average Collection Time on Paid Accounts by Date of Service is shown below:</p> <table border="1"> <thead> <tr> <th>Row Labels</th> <th>Average of Service to Claim</th> <th>Average of Claim to Payment</th> <th>Average of Collection Time</th> </tr> </thead> <tbody> <tr><td>2020-04</td><td>14.08</td><td>61.65</td><td>75.72</td></tr> <tr><td>2020-05</td><td>9.01</td><td>45.86</td><td>54.87</td></tr> <tr><td>2020-06</td><td>9.00</td><td>45.89</td><td>54.89</td></tr> <tr><td>2020-07</td><td>11.11</td><td>25.41</td><td>36.52</td></tr> <tr><td>2020-08</td><td>9.73</td><td>29.52</td><td>39.25</td></tr> <tr><td>2020-09</td><td>8.56</td><td>28.47</td><td>37.03</td></tr> <tr><td>2020-10</td><td>8.28</td><td>28.49</td><td>36.78</td></tr> <tr><td>2020-11</td><td>7.96</td><td>26.93</td><td>34.90</td></tr> <tr><td>2020-12</td><td>10.86</td><td>22.57</td><td>33.42</td></tr> <tr><td>2021-01</td><td>6.35</td><td>19.50</td><td>25.85</td></tr> <tr><td>2021-02</td><td>5.33</td><td>18.16</td><td>23.49</td></tr> <tr><td>2021-03</td><td>6.54</td><td>15.58</td><td>22.12</td></tr> <tr> <td><b>Grand Total</b></td> <td><b>9.22</b></td> <td><b>32.77</b></td> <td><b>41.99</b></td> </tr> </tbody> </table> <p>The EMMI team addressed balances growing in the aging schedule and as a result, payments in March have increased and A/R days are trending downward. He advised we are now at thirty-two gross A/R days and thirty-one net A/R days. The average collection time is at forty-two days from the date of service.</p>	Row Labels	Average of Service to Claim	Average of Claim to Payment	Average of Collection Time	2020-04	14.08	61.65	75.72	2020-05	9.01	45.86	54.87	2020-06	9.00	45.89	54.89	2020-07	11.11	25.41	36.52	2020-08	9.73	29.52	39.25	2020-09	8.56	28.47	37.03	2020-10	8.28	28.49	36.78	2020-11	7.96	26.93	34.90	2020-12	10.86	22.57	33.42	2021-01	6.35	19.50	25.85	2021-02	5.33	18.16	23.49	2021-03	6.54	15.58	22.12	<b>Grand Total</b>	<b>9.22</b>	<b>32.77</b>	<b>41.99</b>		
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2020-06	9.00	45.89	54.89																																																							
2020-07	11.11	25.41	36.52																																																							
2020-08	9.73	29.52	39.25																																																							
2020-09	8.56	28.47	37.03																																																							
2020-10	8.28	28.49	36.78																																																							
2020-11	7.96	26.93	34.90																																																							
2020-12	10.86	22.57	33.42																																																							
2021-01	6.35	19.50	25.85																																																							
2021-02	5.33	18.16	23.49																																																							
2021-03	6.54	15.58	22.12																																																							
<b>Grand Total</b>	<b>9.22</b>	<b>32.77</b>	<b>41.99</b>																																																							
<p><b>6. <u>Adjournment (Rod Place, SJCC Board Chair)</u></b></p> <p>There being no further topics of discussion, Rod Place adjourned the meeting at 4:35 p.m.</p>	No Attachments	No Action Required																																																								

PREPARED BY:  
 ADELÉ R. GRIBBLE, OFFICE TECHNICIAN COORDINATOR (SJCC BOARD CLERK)  
 ACS ADMINISTRATION, SAN JOAQUIN COUNTY CLINICS