

Minutes of August 30, 2021
San Joaquin County Clinics Board of Directors – Finance Committee

Board Members Present:

Alicia Yonemoto (SJCC Board Member); Esgardo Medina (SJCC Co-Treasurer); Rod Place (SJCC Board Chair); Brian Heck (SJCC Board Member)

Board Members Excused Absent:

none

Board Members Unexcused Absent:

Luz Maria Sandoval (SJCC Co-Treasurer)

Guests: Farhan Fadoo (SJCC CEO); Alice Souligne (SJCC COO); Kris Zuniga (SJCC CFO); Michael Allen (SJCC Board Clerk)

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Rod Place, SJCC Board Chair)</u> The meeting was called to order at 5:04 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 4/26/2021 & 5/24/21 & 6/28/21 (Rod Place, SJCC Board Chair)</u> No quorum established, therefore postponing approval of minutes until next session.</p>	<p>(Attachment 2) Finance Committee Meeting Minutes from April 26, 2021; May 24, 2021; June 28, 2021</p>	<p>Alicia motioned to approve minutes from 4/26/21, 5/24/21 & 6/28/21 and Escardo seconded; motion was passed unanimously</p>
<p>3. <u>Introductions (Rod Place, SJCC Board Chair)</u> No introductions</p>	<p>No attachments</p>	<p>No action required</p>
<p>4. <u>Presentation of Financials (Kris Zuniga, SJCC CFO)</u> Rolling 12-month billable visits report presented. Both current 12-month period and matching period from previous year were shown.</p> <p>HPSJ membership assignment volumes were reviewed. 2021 goal is to see 47% of our assigned lives; currently at 33%. Average SJCC panel size has been steadily increasing and is 40,402 lives (current actual count is 41,309). Nearly all claims submitted within 30 days, with average lag only 8 days.</p> <p>Billable visits for July are favorable to budget by 81 visits. Net Patient Revenues are \$215,951 greater than budget. July financials reflect a PPS reconciliation liability accrual of \$25,000.</p> <p>July results include \$37,473 in DHCS recoveries for overpaid Code 18 Wrap payments for the period of October 2020 through December 2020.</p> <p>Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$967,837 in July. There was no activity for the Grant Revenue for July which accounts for the majority of the Total Revenue variance. Other Income includes the Capitation Revenue with a favorable variance to budget by \$1,230 due to a slight increase in capitation payment rate per member in July. Also, Other Income includes the 340B Pharmacy</p>	<p>CFO Presentation 2021-07; Financial Narrative 2021-07</p>	<p>No action required</p>

<p>Program revenue for \$126,368 and the program related expenses for \$41,261 are included in Supplies & Other Expenses categories on the financials. Total Net Operating Revenues are unfavorable to budget by \$119,877.</p> <p>Salaries and benefits expenses exhibit an unfavorable variance to budget of \$116,847. Other operating expenses exhibit a favorable variance of \$257,386 largely due to Professional Fees and Other Expenses favorable variance of \$463,195 mainly offset by unfavorable variance in Supplies and Purchased Services \$205,809. An estimated expense for the Purchased Services is recorded for July based on the MOU.</p> <p>Unaudited, as presented, Net Income of \$167,499 for July is greater than budget by \$20,662.</p> <p>Reviewed SJCC Balance Sheet and Statement of Cash Flows for July 2021; ending cash balance was \$2,274,759.</p>		
<p>5. <u>Accounts Receivable Status (Kris Zuniga, SJCC CFO)</u> Reviewed A/R Aging Analysis for July 2021. Ending gross balance was \$3,434,603. Net A/R days are currently at 44, with an average collection time under 37 days.</p> <p>Rolling 12-month Cash Collected report reviewed. It was noted that the State usually holds payments every June for 2-4 weeks, resulting in lower cash flow on financials.</p>	No attachments	No action required
<p>6. <u>Status of 2020 Audit (Kris Zuniga, SJCC CFO)</u> Reviewed Capital Link key financial metrics industry guidelines. Average financially successful FQHC has an operating margin >3% (SJCC = 6%), bottom line margin >3% (SJCC = 6%), personnel-related expenses <70% (SJCC = 87%), days in net patient receivables <60 days (SJCC = 44) and days cash on hand >30-45 days (SJCC = 24). Cash payment from SJGH of \$8 million has now been received, which will increase our days cash on hand significantly.</p>	No attachments	No action required
<p>7. <u>Adjournment</u> There being no further topics of discussion, Rod Place adjourned the meeting at 5:56 p.m.</p>	No attachments	No action required