

**Minutes of October 25, 2021**

**San Joaquin County Clinics Board of Directors – Finance Committee**

**Board Members Present:**

Esgardo Medina (SJCC Treasurer); Rod Place (SJCC Board Chair); Paul Antigua (SJCC Board Member); Charson Chang (SJCC Board Member)

**Board Members Excused Absent:**

Brian Heck (SJCC Board Member)

**Board Members Unexcused Absent:**

Luz Maria Sandoval (SJCC Board Member)

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

AGENDA ITEM	ATTACHMENTS	ACTION
<p><b>1. <u>Call to Order (Rod Place, SJCC Board Chair)</u></b> The meeting was called to order at 5:05 p.m. A quorum was established for today's meeting.</p>	No attachments	No action required
<p><b>2. <u>Approval of Minutes from 9/27/21 (Rod Place, SJCC Board Chair)</u></b> A quorum was established and the minutes from the previous Finance meeting were adopted.</p>	Finance Committee Minutes 2021-09-27	Esgardo motioned to approve the minutes from 9/27/21 and Paul seconded; motion was approved unanimously
<p><b>3. <u>Introductions (Rod Place, SJCC Board Chair)</u></b> None</p>	No attachments	No action required
<p><b>4. <u>Presentation of Financials (Kris Zuniga, SJCC CFO)</u></b> Billable visits for September are favorable to budget by 197 visits. Net Patient Revenues are \$153,077 greater than budget. YTD financials reflect a PPS reconciliation liability accrual of \$75,000. YTD Medi-Cal payments for \$912,247 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 \$53,860 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 SJCC.</p> <p>YTD results include \$37,473 in DHCS recoveries for overpaid Code 18 Wrap payments for the period of October 2020 through December 2020.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$2,903,510. Other Revenue includes combined Grants Revenue for Essential Access Title X and American Rescue Plan (ARP) grants for \$281,022. Other Income includes the YTD Capitation Revenue with an unfavorable variance to budget by \$15,976 due to a slight decline in capitation payment rate per member. Also, Other Income includes the 340B Pharmacy Program revenue for \$409,311 and the program related expenses for \$268,537 are included in Supplies &amp; Other Expenses categories on the financials. September financials reflect First Responder Program revenue for</p>	CFO Presentation - 2021-09	No action required

<p>\$8,600. YTD Other Revenue includes revenues accrued for \$175,744 related to Purchased Services provided to SJGH by SJCC per the MOU. Total Net Operating Revenues are favorable to budget by \$490,322.</p> <p>YTD Salaries and benefits expenses exhibit a favorable variance to budget of \$273,090. Other operating expenses exhibit an unfavorable variance of \$791,147 largely due to Professional Fees and Other Expenses favorable variance of \$1,298,355 mainly offset by unfavorable variance in Purchased Services, Supplies, Interest and Miscellaneous Expenses \$2,089,502. An estimated expense for the Purchased Services is recorded from July through September based on the MOU.</p> <p>Unaudited, as presented, Net Income of \$412,775 on a year-to-date basis is unfavorable compared to budget by \$27,735.</p>		
<p><b>5. <u>Status of 2020 &amp; 2021 Audits (Kris Zuniga, SJCC CFO)</u></b>          Fiscal year 2021 &amp; 2021 audits are underway by BKD. MOU with the hospital has now been fully executed. Draft audit report is expected by December 2021. In the meantime, efforts to reconcile expense between SJCC &amp; SJGH are happening weekly.</p>	No attachments	No action required
<p><b>6. <u>Finance Committee Structure for 2021-22 (Rod Place, SJCC Board Chair)</u></b></p>	No attachments	No action required
<p><b>7. <u>Adjournment</u></b>          There being no further topics of discussion, Rod Place adjourned the meeting at 5:30 p.m.</p>	No attachments	No action required