

Minutes of December 27, 2021

San Joaquin County Clinics Board of Directors – Finance Committee

Board Members Present:

Paul Antigua (SJCC Treasurer); Charson Chang (SJCC Board Member); Farhan Fadoo (SJCC CEO); Escardo Medina (SJCC Board Member)

Board Members Excused Absent:

Rod Place (SJCC Chair)

Board Members Unexcused Absent:

None

SJCC Staff: Alice Souligne (SJCC COO); Kris Zuniga (SJCC CFO); Michael Allen (SJCC Board Clerk)

Guests: None

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. Call to Order (Paul Antigua, SJCC Treasurer) The meeting was called to order at 5:09 p.m. A quorum was established for today's meeting.</p>	<p>No attachments</p>	<p>No action required</p>
<p>2. Approval of Minutes from 11/29/21 (Paul Antigua, SJCC Treasurer) A quorum was established and the minutes were approved unanimously.</p>	<p>Finance Committee Minutes 2021-10-25</p>	<p>Esgardo motioned to approve the minutes and Paul seconded; the minutes from November 29, 2021 were approved unanimously</p>
<p>3. Presentation of Financials (Kris Zuniga, SJCC CFO) Billable visits for November are unfavorable to budget by 736 visits. Net Patient Revenues are \$10,104 greater than budget. YTD financials reflect a PPS reconciliation liability accrual of \$125,000. YTD Medi-Cal payments for \$1,771,824 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 \$89,766 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. Also, November financials include a \$4.6 million cash receipt from SJGH related to unaudited Due To/Due From estimations in accordance with 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 \$4,985,825. Combined Grants Revenue includes revenues for Essential Access Title X, SOR2, Health Net and American Rescue Plan (ARP) grants for \$325,716. Capitation and Managed Care Incentives include the YTD Capitation Revenue with an unfavorable variance to budget by \$365,445 due to pending manage care incentive revenue recognition associated with our HEDIS performance. Also, Other Income includes the 340B Pharmacy Program revenue for \$658,820 and the program related expenses for \$289,215 are included in</p>	<p>CFO Presentation 2021-11</p>	<p>Kris Zuniga to generate a grant schedule and present at next month's meeting.</p>

<p>Supplies & Other Expenses categories on the financials. YTD financials reflect First Responder Program revenue for \$12,600. YTD Other Revenue includes revenues accrued for \$282,313 related to Purchased Services provided to SJGH by SJCC per the MOU. Total Net Operating Revenues are favorable to budget by \$174,624.</p> <p>YTD Salaries and benefits expenses exhibit a favorable variance to budget of \$97,505. Non-labor operating expenses exhibit an unfavorable variance of \$640,434 largely due to Professional Fees and Other Expenses favorable variance of \$533,951 mainly offset by unfavorable variance in Purchased Services, Supplies, Interest and Miscellaneous Expenses \$1,174,385. An expense accrual for the Purchased Services is recorded from July through November based on the MOU expense estimations.</p> <p>Unaudited, as presented, Net Income of \$365,878 on a year-to-date basis is unfavorable compared to budget by \$368,306.</p> <p>Paul requested a summary of grant funds and timing. Kris confirmed we have a grant schedule and that a HRSA grant of \$5 million over two years comprises the largest part of our grants for this period. Grant schedule to be presented at next month's meeting.</p> <p>December represents the first month with a net loss (unfavorable variance of \$109,560).</p> <p>Gross A/R Days are at 33 days for November, with Net A/R at 29 days. Medi-Cal Managed Care and Medi-Cal remain our largest income sources.</p> <p>Kris gave an update on our FY22-23 budgeting process, with key milestones and timeline shown. Budget assumptions and methodology from FY21-22 were also reviewed, with possible changes for the current year noted.</p>		
<p>4. <u>Status of 2020 & 2021 Audits (Kris Zuniga, SJCC CFO)</u> Independent audit reports are still underway. As this is the first audit of an independent SJCC and comprises two years, the initial effort will require more work than subsequent audits.</p>	<p>No attachments</p>	<p>No action required</p>
<p>5. <u>Adjournment</u> There being no further topics of discussion, Paul Antigua adjourned the meeting at 5:44 p.m.</p>	<p>No attachments</p>	<p>No action required</p>