

Minutes of January 24, 2022

San Joaquin County Clinics Board of Directors – Finance Committee

Board Members Present: Charson Chang (Board Member); Farhan Fadoo (SJCC CEO); Escardo Medina (Board Member); Rod Place (Board Chair)

Board Members Excused Absent: Paul Antigua (SJCC Treasurer)

Board Members Unexcused Absent: none

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

Guests: none

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Rod Place, Board Chair)</u> The meeting was called to order at 5:03 p.m. A quorum was established for today's meeting.</p>	No attachments	No action required
<p>2. <u>Approval of Minutes from December 27, 2021 (Rod Place, Board Chair)</u> A quorum was established and the minutes were approved unanimously.</p>	Finance Committee Minutes 2021-12-27	Esgardo motioned to approve the minutes from December 2021 and Rod seconded; minutes from were approved unanimously
<p>3. <u>Presentation of Financials (Kris Zuniga, CFO)</u> Billable visits for December are favorable to budget by 56 visits. YTD visits have been updated on the December financials due to an updated report received for the additional visits (1,602 visits) that were not captured in the previous months. Additional Patient Revenues have been recorded accordingly. This new methodology has no impact on patient collections. Net Patient Revenues for December are \$338,195 greater than budget. YTD financials reflect a PPS reconciliation liability accrual of \$150,000. YTD Medi-Cal payments for \$2,033,085 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 \$107,720 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, YTD financials include \$4.1 payment from SJGH related to unaudited FY2021 financial statement and according to the separation agreement between SJGH and SJCC. December financials include funds transferred for \$6,892,501 to San Joaquin County as a payment for payroll and benefits paid by San Joaquin County on behalf of SJCC from July 2021 through November 2021.</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 \$5,982,990. Combined Grants Revenue includes revenues for Essential Access Title X, SOR2, Whole Person Care, Behavioral Health Integration, Health Net and American Rescue Plan (ARP) grants for \$904,195. Capitation and Managed Care Incentives</p>	CFO Presentation 2021-12	

<p>include the YTD Capitation Revenue with an unfavorable variance to budget by \$430,133 due to a slight decline in capitation payment rate per member and non-recognition of HEDIS revenue during the year. Also, Other Income includes the 340B Pharmacy Program revenue for \$743,259 and the program related expenses for \$568,269 are included in Supplies & Other Expenses categories on the financials. YTD financials reflect First Responder Program revenue for \$13,200. YTD Other Revenue includes revenues accrued for \$342,420 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$5,488. Total Net Operating Revenues are favorable to budget by \$819,889.</p> <p>YTD Salaries and benefits expenses exhibit an unfavorable variance to budget of \$175,710. Other operating expenses exhibit an unfavorable variance of \$733,850 largely due to Professional Fees and Other Expenses favorable variance of \$662,732 mainly offset by unfavorable variance in Purchased Services, Supplies, Interest and Miscellaneous Expenses \$1,396,582. An estimated expense for the Purchased Services is recorded from July through November based on the MOU.</p> <p>Unaudited, as presented, Net Income of \$791,349 on a year-to-date basis is unfavorable compared to budget by \$89,671.</p> <p>Operating Margin is 2% against a Capital Link target of >3%. Bottom Line Margin is 4% against a Capital Link target of >3%. Days Cash on Hand is 115 days against a Capital Link target of >30-45 days. Days in Net Patient Receivables is 25 days against a Capital Link target of <60 days. Personnel-Related Expenses is 84% against a Capital Link target of <70%.</p> <p>Grant portfolio was presented.</p>		
<p>4. <u>Status of 2020 & 2021 Audits (Kris Zuniga, CFO)</u> Audit is going slowly, but well. Auditors have offered to give a direct report to the Finance committee at next month's meeting (2/22/22).</p>	<p>No attachments</p>	<p>No action required</p>
<p>5. <u>Adjournment (Rod Place, Board Chair)</u> There being no further topics of discussion, Rod Place adjourned the meeting at 5:20 p.m.</p>	<p>No attachments</p>	<p>No action required</p>