

Minutes of February 22nd, 2022

San Joaquin County Clinics Board of Directors – Finance Committee

Board Members Present: Paul Antigua (Treasurer, Finance Chair); Charson Chang; Farhan Fadoo (SJCC CEO); Monica Fuentes; Escardo Medina; Rod Place

Board Members Excused Absent:

Board Members Unexcused Absent: none

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

Guests: David Culberson

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 January 24, 2022 (Rod Place, Board Chair)</u> A quorum was established and the minutes were approved unanimously.</p>	Finance Committee Minutes 2022-01-24	Monica motioned to approve the minutes and Rod seconded; motion was passed unanimously
<p>3. <u>Presentation of Financials (Kris Zuniga, CFO)</u> Billable visits for January are favorable to budget by 1,181 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 January are \$285,748 greater than budget. YTD financials reflect a PPS reconciliation liability accrual of \$175,000. YTD Medi-Cal payments for \$2,519,165 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 \$125,673 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. YTD financials include funds transferred for \$8,163,604 to San Joaquin County as a payment for payroll and benefits paid by San Joaquin County on behalf of SJCC from July 2021 through December 2021.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$6,980,155. 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 \$1,135,831. Capitation and Managed Care Incentives include the YTD Capitation Revenue with an unfavorable variance to budget by \$485,067 mainly due to nonrecognition of HEDIS revenue during the year. Also, Other Income includes the 340B Pharmacy Program revenue for \$849,921 and the program related expenses for \$634,436 are included in Supplies & Other Expenses categories on the</p>	CFO Presentation 2022-01	

<p>financials. YTD financials reflect First Responder Program revenue for \$10,000. YTD Other Revenue includes revenues accrued for \$397,800 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$14,698. Total Net Operating Revenues are favorable to budget by \$1,085,922.</p> <p>YTD Salaries and benefits expenses exhibit an unfavorable variance to budget of \$298,033. Other operating expenses exhibit an unfavorable variance of \$680,985 largely due to Professional Fees and Purchased Services favorable variance of \$800,925 mainly offset by unfavorable variance in Supplies, Interest and Miscellaneous Expenses \$1,481,910. An estimated expense for the Purchased Services is recorded from July through January based on the MOU.</p> <p>Unaudited, as presented, Net Income of \$1,134,761 on a year-to-date basis is favorable compared to budget by \$106,904.</p> <p>Discussed positive variance in 340b pharmacy income and noted that the program was very new last year and the large variance is primarily due to conservative budgeting.</p> <p>Capital Link KPIs show Operating Margin at goal of 3%, Bottom Line Margin is 5% vs goal of 3%, Days Cash on Hand are 111 vs goal of >45 days, Day in Net Patient Receivables at 28 vs <60 days, and Personnel-Related expenses at 84% vs goal of 75%.</p>		
<p>4. <u>Status of 2020 & 2021 Audits (Kris Zuniga, CFO)</u> Audit progress update to be given at tomorrow's Audit Committee meeting, with an expected conclusion at the end of March.</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 5:19 p.m.</p>	<p>No attachments</p>	<p>No action required</p>