**Minutes of September 24, 2024**

**San Joaquin Health Centers Board of Directors – Finance Committee**

**Board Members Present:** Greg Diederich; Karen Lee (Finance); Samantha Monks (Finance Chair)

**Board Members Excused Absent:** None

**Board Members Unexcused Absent:** None

**SJHC Staff:** Michael Allen (Board Clerk); Kris Zuniga

**Guests:** None

|  |  |  |
| --- | --- | --- |
| **AGENDA ITEM** | **ATTACHMENTS** | **ACTION** |
| 1. **Call to Order (Samantha Monks)**   The meeting was called to order at 4:47 p.m. by Samantha Monks. A quorum was established for today’s meeting. | No attachments | No action required |
| 1. **Approval of Minutes from 5/28/2024, 6/25/2024, 7/30/2024 & 8/27/2024 (Samantha Monks)**   The minutes from May 28, 2024, June 25, 2024, July 30, 2024 & August 27, 2024 were approved unanimously. | Finance Committee Minutes 2024-05-28; Finance Committee Minutes 2024-06-25; Finance Committee Minutes 2024-07-30; Finance Committee Minutes 2024-08-27 | Karen motioned to accept the minutes from the Finance meetings on 5/28/24, 6/25/24, 7/30/24 & 8/27/24 and Samantha seconded; motion was approved unanimously |
| 1. **Presentation of Financials (Kris Zuniga)** Year-to-date (YTD) billable visits as of August are favorable to budget by 166 visits. Net Patient Service Revenues for August are favorable to budget by $14,447. Net Patient Service Revenues are higher than budget mainly due to the recognition of $400,000 for July and August related to an anticipated estimated PPS reconciliation settlement from DHCS. This settlement is related to the intermittent clinic strategy implementation in FY25. YTD financials reflect an estimated YTD PPS liability accrual of $50,000.   YTD financials include $596,285 related to the settlement payment received from Department of Health Care Services for FY2020 recorded in July 2024.  YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of $2,480,371. Also, YTD financials include Capitation Revenue for $999,412 and 340B Pharmacy program revenue for $658,969. Combined Grants Revenue includes revenues for ARPA, KP Health Connect, ECM, and HHIP Street Medicine grants for $233,777.  YTD Other Revenue includes revenues accrued for $122,646 related to Purchased Services provided to SJGH by SJHC per the MOU. YTD Interest income for $217,729 has been reflected on the financials, which is favorable compared to budget by $102,646 mainly due to higher cash balance contained within the County Treasury.  Total YTD Operating Revenue is favorable to budget by $85,227 primarily due to the accrual of anticipated revenue related to the Medi-Cal PPS settlement payments for FY25.  Salaries and Benefits expenses exhibit a favorable variance to budget by $2,710,535 which is mainly related to vacant positions that have not filled yet along with the lower benefits expense. For purposes of annual budgeting, per SJ County direction, county employees purchased by SJHC were budgeted at 65% benefits cost to salaries. Year-to-date actual benefits cost as a percentage of salaries, as of August 2024 is 52%.  Other operating expenses exhibit an unfavorable variance of $451,221 largely due to an unfavorable variance for $497,827 for Professional Fees, Purchased Services, Supplies, Dues, Repairs, Telephone, Travel, Rent and Miscellaneous expenses offset by a favorable variance of $46,606 reflected in the Depreciation, Interest, Office, Advertising, and Utilities expense categories. An estimated accrual for the Purchased Services is recorded for July and August is based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by $2,259,313.   Unaudited, as presented, Net Income of $333,649 on year-to-date represents a favorable variance of $2,344,540 as compared to budgeted Net Loss of $2,010,891. YTD Net Income is favorable mainly due to the actual salaries and benefits expenses lower than budget and accrual of revenues related to estimated PPS reconciliation settlements for FY25.  Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 4.2% against a goal of >3%, Bottom Line Margin at 4.2% against a goal of >3%, Days Cash on Hand at 213 against a goal of >45 days, Days in Net Patient Receivables at 29 against a goal of <60 days, and Personnel-Related Expenses at 76% against a goal of <70%. | CFO Presentation – 2024-08; Finance Narrative – 2024-08 | No action required |
| 1. **Adjournment (Samantha Monks)**   There being no further topics for discussion, Samantha adjourned the meeting at 5:15 p.m. | No attachments | No action required |