

## Minutes of October 29, 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
<p><b>1. <u>Call to Order (Samantha Monks)</u></b>            The meeting was called to order at 4:52 p.m. by Karen Lee. A quorum was established for today's meeting.</p>	No attachments	No action required
<p><b>2. <u>Approval of Minutes from 9/24/2024 (Samantha Monks)</u></b>            The minutes from September 24, 2024 were approved unanimously.</p>	Finance Committee Minutes 2024-09-24	Karen motioned to accept the minutes from the Finance meeting on 9/24/24 and Samantha seconded; motion was approved unanimously
<p><b>3. <u>Presentation of Financials (Kris Zuniga)</u></b>            Year-to-date (YTD) billable visits as of September are unfavorable to budget by 4,629 visits mainly related to 3,937 billable visits included in the FY25 budget pertaining to vacant positions not filled yet. Recruitment efforts are ongoing for additional providers to fill the vacant positions. Net Patient Service Revenues for September are unfavorable to budget by \$783,320 primarily due to lower billable visits. YTD financials include the revenue recognition of \$400,000 for July and August for increase in revenues related to intermittent clinic strategy. YTD financials reflect an estimated YTD PPS liability accrual of \$75,000.</p> <p>YTD financials include \$596,285 related to the settlement payment received from Department of Health Care Services for FY2020 recorded in July 2024.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of \$3,720,557. Also, YTD financials include Capitation Revenue for \$1,501,574 and 340B Pharmacy program revenue for \$922,660. Combined Grants Revenue includes revenues for ARPA, KP Health Connect, ECM, and HHIP Street Medicine grants for \$399,453.</p> <p>YTD Other Revenue includes revenues accrued for \$180,225 related to Purchased Services provided to SJGH by SJHC per the MOU. YTD Interest income for \$217,767 has been reflected on the financials, which is favorable compared to budget by \$102,642 mainly due to higher cash balance contained within the County Treasury.</p> <p>Total YTD Operating Revenue is unfavorable to budget by \$584,838 primarily due to lower billable visits in FY25.</p> <p>Salaries and Benefits expenses exhibit a favorable variance to budget by \$4,065,077 which is mainly related to vacant positions</p>	CFO Presentation – 2024-09; Finance Narrative – 2024-09	No action required



<p>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 September 2024 is 47%.</p> <p>Other operating expenses exhibit an unfavorable variance of \$713,576 largely due to an unfavorable variance for \$781,846 for Professional Fees, Purchased Services, Supplies, Dues, Repairs, Telephone, Travel, Rent and Miscellaneous expenses offset by a favorable variance of \$68,270 reflected in the Depreciation, Interest, Office, Advertising, and Utilities expense categories. An estimated accrual for the Purchased Services is recorded for July through September 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 \$3,351,501.</p> <p>Unaudited, as presented, Net Income of \$543,179 on year-to-date represents a favorable variance of \$2,766,664 as compared to budgeted Net Loss of \$2,223,485. 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.</p> <p>Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 4.6% against a goal of &gt;3%, Bottom Line Margin at 4.6% against a goal of &gt;3%, Days Cash on Hand at 207 against a goal of &gt;45 days, Days in Net Patient Receivables at 33 against a goal of &lt;60 days, and Personnel-Related Expenses at 75% against a goal of &lt;70%.</p>		
<p><b>4. <u>Adjournment (Samantha Monks)</u></b> There being no further topics for discussion, Samantha adjourned the meeting at 5:23 p.m.</p>	No attachments	No action required

