

Minutes of February 25, 2025
San Joaquin Health Centers Board of Directors – Finance Committee

Board Members Present: Stacy Ferreira (Interim CEO); Rick Ledo (Finance); Samantha Monks (Finance Chair)

Board Members Excused Absent: Brian Heck

Board Members Unexcused Absent: None

SJHC Staff: Michael Allen (Board Clerk); Rachna Sharma

Guests: None

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Call to Order (Samantha Monks)</u> The meeting was called to order at 4:44 p.m. by Samantha Monks. A quorum was established for today’s meeting.</p>	No attachments	No action required
<p>2. <u>Approval of Minutes from 1/28/2025 (Samantha Monks)</u> The minutes from January 28, 2025 were approved unanimously.</p>	Finance Committee Minutes 2025-01-28	Rick motioned to accept the minutes from the Finance meeting on 1/28/25 and Samantha seconded; motion was approved unanimously
<p>1. <u>Presentation of Financials (Rachna Sharma)</u> Rachna presented the financials for January 2025. Year-to-date (YTD) billable visits as of January are unfavorable to budget by 20,666 visits mainly related to 20,475 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. 2 new Nurse Practitioners have been added in February to provide services at the Mobile Clinic and California Street clinics. Also, a new provider is hired in February to provide pediatric services. Job offers are being made to bring additional new providers on board soon. Net Patient Service Revenues for January are unfavorable to budget by \$1,002,684 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 \$175,000.</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. In November, SJ Health Centers received the HEDIS incentive payment for \$1,212,593 for Year 2023 which has been reported on the FY25 balance sheet, and the related incentive revenue has been accrued in FY24.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of \$8,743,308. Also, YTD financials include Capitation Revenue for \$3,490,184 and 340B Pharmacy program revenue for \$1,788,873. Combined Grants Revenue includes revenues for Binational Health, ARPA, KP Health Connect, Bridge Access Program, Accelerating Readiness For An Aging Population, ECM, and HHIP Street Medicine grants for \$1,260,434.</p>	CFO Presentation – 2025-01; Finance Narrative – 2025-01	Rick motioned to advance the Finance Report to the full board and Samantha seconded; motion was approved unanimously

<p>YTD Other Revenue includes revenues accrued for \$397,275 related to Purchased Services provided to SJGH by SJHC per the MOU. YTD Interest income for \$680,477 has been reflected on the financials, which is favorable compared to budget by \$335,185 mainly due to higher cash balance contained within the County Treasury.</p> <p>Total YTD Operating Revenue is unfavorable to budget by \$3,929,147 primarily due to lower billable visits in FY25.</p> <p>Salaries and Benefits expenses exhibit a favorable variance to budget by \$9,440,363 which is mainly related to vacant positions that have not yet been filled 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 January 2025 is 47%.</p> <p>Other operating expenses exhibit an unfavorable variance of \$2,022,650 largely due to an unfavorable variance for \$2,188,042 for Professional Fees, Purchased Services, Supplies, Dues, Repairs, Telephone, Travel, Insurance, Rent and Miscellaneous expenses offset by a favorable variance of \$165,392 reflected in the Depreciation, Interest, Office, Advertising, and Utilities expense categories. An estimated accrual for the Purchased Services is recorded for July through January 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 \$7,417,713.</p> <p>Unaudited, as presented, Net Income of \$2,523,795 on year-to-date represents a favorable variance of \$3,488,566 as compared to budgeted Net Loss of \$964,770. 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 8.5% against a goal of >3%, Bottom Line Margin at 8.5% against a goal of >3%, Days Cash on Hand at 203 against a goal of >45 days, Days in Net Patient Receivables at 33 against a goal of <60 days, and Personnel-Related Expenses at 72% against a goal of <70%.</p>		
<p>3. <u>Adjournment (Samantha Monks)</u> There being no further topics for discussion, Samantha adjourned the meeting at 5:11 p.m.</p>	<p>No attachments</p>	<p>No action required</p>

Board Approval: _____ Date: _____