

## Minutes of October 25, 2022

### San Joaquin Health Centers Board of Directors

**Board Members Present:** Dr. Farhan Fadoo (CEO); Monica Fuentes; Brian Heck (Vice Chair); Cynthia King; Karen Lee; Jodie Moreno; Samantha Monks; Bernadette Pua; Kristin Shinn; Tarsha Taylor-Godfrey

**Excused Absent:** Rod Place (Board Chair)

**Unexcused Absent:** Jessica Hernandez; Esgardo Medina

**SJHC Staff:** Michael Allen (Board Clerk); Angela Ayala; Dr. Jonathon Diulio; Barbara Kissinger-Santos (Consultant); Rajat Simhan (Consultant); Jeff Slater (Consultant); Alice Soulligne (COO); Kris Zuniga (CFO)

**Guests:**

AGENDA ITEM	ATTACHMENTS	ACTION
<p><b>1. <u>Call to Order (Brian Heck)</u></b>            The meeting was called to order at 5:02 p.m. A quorum was established for today's meeting.</p>	2022 Board Member Attendance	No action required
<p><b>2. <u>Approval of Consent Agenda (Brian Heck)</u></b>            The following items were approved under the consent agenda for October 2022:            a. Board Minutes from 9/27/22            b. HR Policies (X5)</p>	Board Minutes 2022-09-27; Employee Grievance Policy; Equal Employment Opportunity; Non-Harassment Policy; Recruitment and Selection	Monica motioned to accept the consent agenda and Cynthia seconded; motion was approved unanimously
<p><b>3. <u>Public Comment</u></b>            none</p>	No attachment	No action required
<p><b>4. <u>Credentialing &amp; Privileging Report (Angela Ayala)</u></b>            Initial appointments are Lindsey Allen, PA; Maria De La Paz, PA; Cynthia Flores, PA.             Reappointments are Rowena Korobkin, MD; Aaron Simko, MD.</p>	2022-October-Credentialing-Packet	Kristin motioned to accept credentialing for the initial appointments and Bernadette seconded; motion approved unanimously
<p><b>5. <u>Presentation of Financials (Kris Zuniga)</u></b>            Billable visits for September are favorable to budget by 100 visits. Net Patient Service Revenues for September are favorable to budget by \$13,562. YTD financials reflect a PPS reconciliation liability accrual of \$75,000. YTD Medi-Cal payments for \$728,689 have been reflected on the Balance Sheet for FY2018 and FY2019 according to the payment plan with DHCS. YTD Income Statement includes interest expense of \$68,214 for PPS liability payments made to DHCS for FY2018 and FY2019. YTD financials include funds transferred for \$2,882,611 to San Joaquin County as a payment for payroll and benefits paid by San Joaquin County on behalf of SJ Health through August 2022.             Medi-Cal cost settlement payments for \$667,770 related to PPS reconciliations for FY2020 are reflected on the YTD financials.             YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$3,841,886. Combined Grants Revenue includes revenues for Behavioral Health Integration, Discovery Challenge Academy, SOR2, Enhanced Care Management and American Rescue Plan</p>	CFO Presentation – 2022-09; Finance Narrative – 2022-09	Cynthia motions to approve the report and Samantha seconded; motion was approved unanimously

<p>(ARP) grants for \$1,794,993. Also, YTD grant revenues are higher than budget due to the recognition of American Rescue Plan (ARP) grant revenue for \$765,299 for activity related to January 2021 through June 2021 period in July. Capitation and Managed Care Incentives include the Capitation Revenue with a favorable variance to budget by \$58,506. Also, Other Income includes the 340B Pharmacy Program revenue for \$352,795 and the program related expenses for \$118,435 are included in Supplies &amp; Other Expenses categories on the financials. YTD Other Revenue includes revenues accrued for \$176,058 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$10,234. Total Net Operating Revenues are favorable to budget by \$1,209,334.</p> <p>YTD Salaries and benefits expenses exhibit a favorable variance to budget by \$824,298. Other operating expenses exhibit an unfavorable variance of \$1,531,368 largely due to Purchased Services with a favorable variance of \$237,924 mainly offset by unfavorable variance in Professional Fees, Supplies, Interest, Depreciation, and Other Expenses for \$1,769,292. An estimated expense for the Purchased Services is recorded from July through September based on the MOU.</p> <p>Unaudited, as presented, Net Income of \$662,027 on a year-to-date basis is favorable compared to budget by \$502,264.</p> <p>Capital Link benchmarks were reviewed, showing Operating Margin at 4% against a goal of &gt;3%, Bottom Line Margin at 5% against a goal of &gt;3%, Days Cash on Hand at 72 against a goal of &gt;45 days, Days in Net Patient Receivables at 41 against a goal of &lt;60 days, and Personnel-Related Expenses at 66% against a goal of &lt;70%.</p>		
<p><b>6. <u>Sliding Fee Scale and Associated Policy Approval (Kris Zuniga)</u></b> Sliding fee scale changes and associated policy changes will bring SJ Health into alignment with HRSA requirements. No changes to patient experience are expected, as the policy notes cash discount to match current highest tier.</p>	<p>2022 SJHC Sliding Fee Discount Policy – Monthly Income 09.01.2022; SJHC Fiscal Policies 2022-10</p>	<p>Jodie motioned to approve the new sliding fee scale and associated changes to SJ Health fiscal policy and Samantha seconded; motion was approved unanimously</p>
<p><b>7. <u>Board Training (Susan Thorer)</u></b> Deferred to next month, due to heavy October agenda.</p>	<p>No attachments</p>	<p>No action required</p>
<p><b>8. <u>Review Forms 5A, 5B, 5C, Outreach &amp; Needs Assessment (Jeff Slater/Rajat Simhan)</u></b> HRSA requires scope of project for SJ Health’s operations that address where services are provided, what services are provided, who provides services, geographic location serviced, and who will receive these services. All of these are living documents and represented in HRSA’s electronic handbook. Additional services noted as behavioral health, substance abuse, and podiatry.</p> <p>Needs Assessment and Outreach efforts were reviewed for educational purposes. SJ Health’s needs assessment is in-</p>		<p>Cynthia motioned to approve Forms 5A, 5B &amp; 5C and Jodie seconded; motion was approved unanimously</p>

<p>line with the County's findings. Mental health, access to care, and stable employment remain concerns of highest priorities.</p>		
<p><b>9. <u>Board Membership Votes (Brian Heck)</u></b> With the recommendation of the Governance Committee, the Board voted to renew membership for Cynthia King, Karen Lee, and Bernadette Pua for an additional 3 years each.</p>	<p>No attachments</p>	<p>Cynthia motioned to renew Bernadette's term and Kristin seconded; motion was approved unanimously</p> <p>Jodie motioned to renew Cynthia's term and Kristin seconded; motion was approved unanimously</p> <p>Kristin motioned to renew Karen's term and Cynthia seconded; motion was approved unanimously</p>
<p><b>10. <u>CEO Annual Report (Farhan Fadoo)</u></b> Connect2Care project launching on 11/1/22 to help reduce inappropriate ED presentations.</p> <p>Manteca will be reopening in December of 2022. We are actively pursuing locations for the new Lodi clinic. Having accepted federal funding, we are now obligated to open this clinic by October 2023.</p> <p>Quality staff are making a hard push to close gaps in our HEDIS/QIP measures.</p> <p>Letter of Intent has been sent to the state informing them that we plan to pursue the Alternative Payment Model (APM). This will allow more flexibility in how we provide and are paid for services.</p> <p>SJ Health is working to develop a PPS rate for the mobile clinic.</p>	<p>CEO Report 10252022</p>	<p>No action required</p>
<p><b>11. <u>Adjournment</u></b> There being no further topics of discussion, Brian Heck adjourned the meeting at 6:16 p.m.</p>	<p>No attachments</p>	<p>No action required</p>
<p><b>12. <u>CLOSED SESSION (Barbara Kissinger-Santos)</u></b> As this was a closed session to address employee issues and the Clerk of the Board is an SJ Health employee, no notes were taken.</p>	<p>No attachments</p>	<p>No action required</p>