

Minutes of February 28, 2023 San Joaquin Health Centers Board of Directors

Board Members Present: Farhan Fadoo (CEO)*; Monica Fuentes; Brian Heck (Vice Chair); Cynthia King; Karen Lee; Esgardo Medina*; Samantha Monks; Jodie Moreno*

Excused Absent: Rod Place (Board Chair); Tarsha Taylor-Godfrey

Unexcused Absent: Jessica Hernandez; Bernadette Pua

SJHC Staff: Ahdel Ahmed; Michael Allen; Jonathon Diulio; Mary-Lou Milabu; Barbara Kissinger-Santos; Jeff Slater; Alice Souligne; Susan Thorner; Kris Zuniga

Guests: Jay Toledo (Vasquez Group); Elisa Stillwell (Vasquez Group)

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. Call to Order (Brian Heck) The meeting was called to order at 5:05 p.m. A quorum was established for today's meeting.</p>	2022 Board Member Attendance	No action required
<p>2. Approval of Consent Agenda (Brian Heck) The following items were approved under the consent agenda for February 2023:</p> <ul style="list-style-type: none"> a. Board Minutes from 1/31/2023 b. Changes to meeting dates & times 	Board Minutes 2023-01-31; Committee Meeting Changes	Karen motioned to approve the consent agenda and Cynthia seconded; motion was approved unanimously, including roll call votes from remote members
<p>3. Public Comment none</p>	No attachment	No action required
<p>4. Audit Report for 2022 Financials (Vasquez Group) Engagement team was introduced and declared their independence, as a 3rd party auditor.</p> <p>The scope of work was noted as the Financial Statement Audit and Single Audit for the fiscal year ending 6/30/2022. This is an unmodified "clean" opinion and fairly presents SJ Health's financial position, results of operations changes in net assets, functional expenses, and cash flows.</p> <p>Areas of emphasis were cash & cash equivalents, revenues & receivables (including grants, QIP & pharmacy revenues, and related receivables), property & equipment, accounts payable & accrued expenses, estimated settlement amounts due from/to 3rd party payers, due from affiliate, and net assets with donor restrictions.</p> <p>No material weaknesses, but one significant finding was inaccurate application of Sliding Fee Discount. Of the 40 patients selected for testing, 3 were overcharged by \$45 and 3 were undercharged by \$280, with a total discrepancy of \$235 in undercharges. This is not uncommon for an FQHC, but retraining and internal audit measures are being implemented to mitigate this issue.</p> <p>Single audit found total federal expenditures at \$1.7 million with \$1.6 million (96%) tested.</p>	No attachment	Cynthia motioned to approve the audit report and Monica seconded; motion was approved unanimously, including roll call votes from remote members
<p>5. Presentation of Financials (Kris Zuniga) Billable visits for January are unfavorable to budget by 1,347, which is mainly related to the Manteca Clinic that has not</p>	CFO Presentation – 2023-01; Finance Narrative – 2023-01	Samantha motioned to approve the financial report

<p>begun its operations yet. The budgeted visits for January include projected visits for the Manteca Clinic. Net Patient Service Revenues for January are unfavorable to budget by \$134,849.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$7,233,885. Based on the most recent information received on the QIP distribution, QIP Revenue Receivable includes QIP Program Revenue related favorable adjustments for \$849,355 from January through December 2021 for PY4 and unfavorable adjustments for \$2,580,904 from January through June 2022 for PY5 respectively. Also, January financials include the reversal of estimated QIP reserves for \$2,425,128 for prior years. Combined Grants Revenue includes revenues for Behavioral Health Integration, Discovery Challenge Academy, SOR2, Connect2Care, HEDIS, Enhanced Care Management and American Rescue Plan (ARP) grants for \$3,360,255. 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 are trending higher than budget with a favorable variance of \$169,397. YTD Other Revenue includes revenues accrued for \$393,204 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$45,153. Total YTD Operating Revenue is unfavorable to budget by \$51,274.</p> <p>YTD Salaries and benefits expenses exhibit a favorable variance to budget by \$3,497,854 mostly due to lower than budgeted salaries and benefits for SJGH providers and employees providing services for the clinics. Also, Salaries and Benefits expenses are low due to YTD adjustment recorded in November to true up the payroll liabilities. Other operating expenses exhibit an unfavorable variance of \$2,442,236 largely due to Purchased Services with a favorable variance of 456,437 mainly offset by unfavorable variance in Professional Fees, Supplies, Interest, Depreciation, and Other Expenses for \$2,898,673. An estimated expense for the Purchased Services is recorded from July through January based on the MOU. Total YTD expenditures are favorable to budget by \$1,055,618.</p> <p>Unaudited, as presented, Net Income of \$1,424,770 on a year-to-date basis is favorable compared to budget by \$1,004,344.</p> <p>Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 5% against a goal of >3%, Bottom Line Margin at 5% against a goal of >3%, Days Cash on Hand at 63 against a goal of >45 days, Days in Net Patient Receivables at 35 against a goal of <60 days, and Personnel-Related Expenses at 69% against a goal of <70%.</p>		<p>and Karen seconded; motion was approved unanimously, including roll call votes from remote members</p>
<p>6. <u>Sliding Fee Scale Annual Update (Kris Zuniga)</u> Sliding Fee Discount Program income ranges have been updated based on federal poverty guidelines. Due to findings of the audit report, the CFO recommends maintaining the</p>		<p>Cynthia motioned to approve the updated Sliding Fee Discount Program and Kristin</p>

<p>same fees for each range, to reduce chances of further findings by HRSA.</p>		<p>seconded; motion was approved unanimously, including roll call votes from remote members</p>
<p>7. <u>Quality Committee Report (Mary-Lou Milabu)</u> Current quality improvement efforts were noted, including adult BMI screening, pediatric well care, and various OB/GYN screenings. Gap clinics continue, along with ongoing staff training for quality measures.</p> <p>New QIP measures include prenatal & postpartum depression screening.</p> <p>Significant improvement in patient satisfaction scores, including an increase in positive comments up to 61.1% for the 4th quarter of 2022. It was noted that our survey process has recently become completely independent from SJGH's process. However, our historical data will go away, as we have transitioned to the new account. All future data will be reflective of SJ Health's patient experience as measured by the new targeted surveys.</p>	<p>Feb23_QI_Board_Report</p>	<p>Kristin motioned to accept the quality committee report and Monica seconded; motion was approved unanimously, including roll call votes from remote members</p>
<p>8. <u>Legislative Update (Ahdel Ahmed)</u> Ahdel noted his recent efforts to advocate on behalf of Look-A-Like (LAL) health centers.</p> <p>COVID funding is winding down with the end of the official state of emergency. Patients losing their Medi-Cal coverage are planned to move to the Covered California exchange.</p> <p>SB799 will change reporting requirements for organizations like ours. Further details forthcoming once available.</p>	<p>LAL - DC</p>	<p>No action required</p>
<p>9. <u>Grant Approvals (Jeff Slater)</u> Retroactive approval of grant application to CDPH for COVID-19 treatment in collaboration with El Concilio for additional funding in the amount of \$100,000, applied for in January 2023. Actual grant award was \$75,000.</p> <p>Retroactive approval of grant application to CDPH for COVID-19 treatment in collaboration with Little Manila Rising for additional funding in the amount of \$90,000, applied for in January 2023. Actual grant award was \$50,000.</p> <p>Funds for both of these grants will be awarded to SJ Health, who will forward the funds to each of the organizations to fund language and culturally appropriate outreach for COVID testing and treatment.</p>	<p>Retroactive Board Approval_CDPH – El Concilio; Retroactive Board Approval_CDPH – Little Manila Foundation</p>	<p>Jodie motioned to retroactively approve the CDPH grant with El Concilio and Monica seconded; motion was approved unanimously, including roll call votes from remote members</p> <p>Monica motioned to retroactively approve the CDPH grant with Little Manila Foundation and Jodie seconded; motion was approved unanimously, including roll call votes from remote members</p>
<p>10. <u>CEO Report (Farhan Fadoo)</u> Opening date of the Manteca clinic remains to be determined, however, the 90 day extension submitted to HRSA means we must open by mid-May. Two Lodi clinic sites still under consideration.</p>	<p>CEO Report 02282023</p>	<p>No action required</p>

<p>QIP PY6 is underway, with i2i serving as the new tracking platform.</p> <p>ECM/CS efforts looking to expand beyond San Joaquin County.</p> <p>2022 UDS report was submitted in February, with trends to be presented to the Board in March.</p> <p>CFO Kris Zuniga will be leaving at the end of April and succession planning is currently underway.</p> <p>Strategic plan shows 41 of 75 projects complete.</p>		
<p>11. <u>Adjournment (Brian Heck)</u> There being no further topics of discussion, Brian Heck adjourned the meeting at 6:40 p.m.</p>	<p>No attachments</p>	<p>No action required</p>

***NOTE: Board Members in red joined remotely**