

**Minutes of April 25, 2023**  
**San Joaquin Health Centers Board of Directors**

**Board Members Present:** Monica Fuentes\*; Brian Heck (Vice Chair); Cynthia King; Karen Lee; Esgardo Medina\*; Samantha Monks; Rod Place (Board Chair); Kristin Shinn; Tarsha Taylor-Godfrey

**Excused Absent:** Farhan Fadoo (CEO); Jodie Moreno; Bernadette Pua

**Unexcused Absent:** Jessica Hernandez

**SJHC Staff:** Ahdel Ahmed; Michael Allen; Jonathon Diulio; Mary-Lou Milabu; Barbara Kissinger-Santos; Jeff Slater; Rajat Simhan; Alice Soulgne; Susan Thorne; Kris Zuniga

**Guests:** None

AGENDA ITEM	ATTACHMENTS	ACTION
<p><b>I. Commencement/Call to Order (Rod Place)</b></p> <ol style="list-style-type: none"> <li>The meeting was called to order at 5:32 p.m. A quorum was established for today's meeting.</li> <li>The agenda for today's meeting was approved unanimously.</li> <li>SJ Health Board of Directors' Attendance Record was made available.</li> </ol>	<p>2022 Board Member Attendance</p>	<p>1. Brian motioned to approve the minutes and Kristin seconded; motion was approved unanimously</p>
<p><b>II. Public Comment</b> None</p>	<p>No attachment</p>	<p>No action required</p>
<p><b>III. Consent Calendar (Rod Place)</b></p> <ol style="list-style-type: none"> <li>The minutes from March's Board meeting on 3/28/23 and the special session on 4/10/23 were approved by the board.</li> </ol>	<p>Board Minutes 2023-03-28</p>	<p>1. Cynthia motioned to approve the consent calendar and Tarsha seconded; motion was approved unanimously</p>
<p><b>IV. Regular Calendar (Rod Place)</b></p> <ol style="list-style-type: none"> <li>The SJ Health Quality department submitted a QI/QA Policy for consideration of approval.</li> <li>Pursuant to the co-applicant agreement, SJ Health had twice solicited San Joaquin County (SJC) HR for any input on SJ Health's personnel policies. Having received none, SJ Health HR is submitting 5 personnel policies to this Board for consideration of approval, including: Employee Grievance Policy, Equal Employment Opportunity Policy, Non-Harassment Policy, Recruitment &amp; Selection Policy, and Separation of Employment Policy (all previously reviewed and approved by SJ Health Board in October 2022).</li> <li>March financials were presented for consideration of approval. Billable visits for March are unfavorable to budget by 2,450, which is mainly related to the Manteca Clinic that has not begun its operations yet. The budgeted visits for March include projected visits for the Manteca Clinic. Net Patient Service Revenues for March are unfavorable to budget by \$394,858.</li> </ol> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$9,210,543. Based on the most recent information received on the QIP distribution, QIP Revenue Receivable includes QIP Program</p>	<p>CFO Presentation – 2023-03; Finance Narrative – 2023-03</p>	<ol style="list-style-type: none"> <li>Brian motioned to approve the QI/QA Policy and Cynthia seconded; motion was approved unanimously</li> <li>Samantha motioned to approve the SJ Health Personnel Policies and Monica seconded; motion was approved unanimously</li> <li>Karen motioned to approve the Finance Report and Kristin seconded; motion was approved unanimously, including roll call votes from remote members</li> <li>Esgardo motioned to approve the Credentialing &amp; Privileging Report and</li> </ol>

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, YTD 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, ARPA, and American Rescue Plan (ARP) grants for \$4,000,286. 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 \$1,926,067 mainly related to Cal Aim payments received in March for Year 1 and Year 2 for \$530,764 and \$357,537 respectively. Also, March incentive revenues are higher than budget due to the reclassification of Cal Aim IPP payments for \$796,146 from grant revenues, which were received and recognized as revenues in September 2022 and November 2022. March financials include revenues for \$623,909 related to supplemental payments received for the 340B Pharmacy program. YTD Other Revenue includes revenues accrued for \$475,597 related to Purchased Services provided to SJGH by SJCC per the MOU and Interest Income of \$45,153. Total YTD Operating Revenue is favorable to budget by \$1,101,671.

YTD Salaries and benefits expenses exhibit a favorable variance to budget by \$4,543,632 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 \$4,028,453 largely due to Purchased Services with a favorable variance of 3,394,096 mainly offset by unfavorable variance in Professional Fees, Supplies, Interest, Depreciation, and Other Expenses for \$7,422,549. YTD financials reflect the Purchased Services expense true up from July through December based on the actual expense information provided by SJGH, which resulted in the reclassification of various expenses such as rents, repairs, professional fees, utilities, supplies, labor and other expenses from Purchased Services to their respective expense categories. An estimated expense for the Purchased Services is recorded from January through March based on the MOU. YTD expenditures are favorable to budget by \$515,179.

Unaudited, as presented, Net Income of \$2,639,621 on a year-to-date basis is favorable compared to budget by \$1,616,850.

Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 6% against a goal of >3%, Bottom Line Margin at 7% against a goal of >3%, Days Cash on Hand at 96 against a goal of >45 days, Days in Net Patient Receivables at 20 against a goal of <60 days, and Personnel-Related Expenses at 69% against a goal of <70%.

- Cynthia seconded; motion was approved unanimously
5. No action required
  6. a. Kristin motioned to retroactively approve the grant application to DHCS for PATH-CITED funding and Cynthia seconded; motion was approved unanimously  
b. Cynthia motioned to retroactively approve the grant application to DHCS for SOR III Project funding and Samantha seconded; motion was approved unanimously
  7. Karen motioned to approve the HHIP Agreement from HealthNet and Cynthia seconded; motion was approved unanimously
  8. Kristin motioned to approve the UDS data and Cynthia seconded; motion was approved unanimously
  9. Tarsha motioned to approve the ZIP Code Reconciliation data and Samantha seconded; motion was approved unanimously
  10. Brian motioned to approve the Credentialing & Privileging Policy and Samantha seconded; motion was approved unanimously
  11. No action required

<ol style="list-style-type: none"> <li>4. The Credentialing &amp; Privileging Report for April was presented for consideration of approval. Initial appointments are Kendra Aylor, NP; Lorena Behrmann, NP; Rob Harriz, MD; Summet Rawal, PA. There were no reappointments or resignations.</li> <li>5. The Board was presented with recent legislative updates. SJ Health participated in a NACHC event in Washington DC in March. Ahdel noted increasing interest from NACHC and lawmakers to support Look-A-Likes and not just FQHCs, especially as it regards a rolling-back of 340B programs.</li> <li>6. Two grants were presented to the Board for consideration of retroactive approval.             <ol style="list-style-type: none"> <li>a. The first was for retroactive approval of a grant application to DHCS for PATH-CITED funding in the amount of \$705,995.55 for Enhanced Care Management (ECM) and Community Support (CS) to support homeless populations.</li> <li>b. The second was for retroactive approval of a grant application to DHCS for SOR III Project in the amount of \$190,175 for Medication-Assisted Treatment (MAT) service for opioid use mitigation.</li> </ol> </li> <li>7. HealthNet's Housing and Homelessness Incentive Program (HHIP) Agreement was presented for consideration of approval. This is a grant in the amount of \$196,224 to service homeless populations in San Joaquin and Stanislaus counties in a point-of-care fashion through a street medicine model.</li> <li>8. Uniform Data System (UDS) data for calendar year 2022 was presented for consideration of approval.</li> <li>9. ZIP Code Reconciliation data was presented for consideration of approval. Requirement is that &gt;70% of patients are in our service area and 98% of our patients are in our service area.</li> <li>10. Credentialing &amp; Privileging Policy was presented for consideration of approval.</li> <li>11. A pending site visit from the National Health Safety Corps (NHCS) was briefly discussed. This will be a shorter version of a HRSA site visit in July, primarily to ensure we are serving the underserved to support physician loan repayment programs. We currently have 4 participating physicians.</li> </ol>		
<p><b>V. <u>Adjournment (Rod Place)</u></b> There being no further topics of discussion, Rod Place adjourned the meeting at 6:29 p.m.</p>	No attachments	No action required



# SJ HEALTH

San Joaquin Health Centers

\*NOTE: Board Member joined remotely

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