

Minutes of September 26, 2023 San Joaquin Health Centers Board of Directors

Board Members Present: Monica Fuentes; Brian Heck (Vice Chair); Cynthia King; Karen Lee; Samantha Monks; Jodie Moreno*; Rod Place (Board Chair); Kristin Shinn

Excused Absent: Tarsha Taylor-Godfrey

Unexcused Absent: Esgardo Medina; Bernadette Pua

SJHC Staff: Ahdel Ahmed; Michael Allen (Board Clerk); Jonathon Diulio; Barbara Kissinger-Santos; Kim Cuellar; Mary-Lou Milabu; Jeff Slater; Rajat Simhan; Susan Thorner; Kris Zuniga

Guests: Greg Diederich; Brandi Hopkins; Jennifer Scott

AGENDA ITEM	ATTACHMENTS	ACTION
<p>I. Commencement/Call to Order (Rod Place)</p> <ol style="list-style-type: none"> The meeting was called to order at 5:38 p.m. A quorum was established for today's meeting. SJ Health Board of Directors' Attendance Record was made available. 	2023 Board Member Attendance	No action required
<p>II. Public Comment</p> <p>None</p>	No attachment	No action required
<p>III. Consent Calendar (Rod Place)</p> <ol style="list-style-type: none"> The consent calendar for September 2023 was approved unanimously, including: <ol style="list-style-type: none"> Minutes of SJ Health Board Meeting 8/29/2023 Minutes of SJ Health Board Meeting 9/11/2023 	Board Minutes 2023-08-29; Board Minutes 2023-09-11	<ol style="list-style-type: none"> Cynthia motioned to approve the consent calendar and Monica seconded; the motion was approved unanimously
<p>IV. Regular Calendar (Rod Place)</p> <ol style="list-style-type: none"> Credentialing & Privileging Report was presented by Kim Cuellar. Initial appointment is Scott Baron, PA. Resignation is Estefania Macias, NP, effective November 2023. A retroactive approval of the grant application for CHCF Accelerated Readiness for an Aging Population Learning Community was presented. Grant is for the amount of \$75,000, primarily to be used to fund staff trainings and meetings. The board was asked for approval to accept HRSA COVID Bridge Funding in the amount of \$26,033, primarily to be used to support the SJ Health mobile unit. A request was made to the board to add nutritional services to Form 5A, Additional Service Column II. A request was made to the board to add optometry services to Form 5A, Additional Service Column II. The proposed Lodi clinic site was discussed. The board was asked to approve a \$10,000 zoning fee deposit prior to the beginning of construction. The board was also asked to consider for approval the selection of Diede Construction as the contractor in order to 	September 2023 SJHEALTH Provider Credentialing; Retroactive Grant Proposal – California Health Care Foundation. 9-26-2023; COVID Bridge Funding NOA; CIS Nutrition 9-26-2023; CIS Optometry 9-26-2023; QI Quarterly Board Report_Aug_2023; SJ Health Employee Handbook; CFO Presentation - 2023-07; Finance Narrative – 2023-07; CFO Presentation - 2023-08; Finance Narrative – 2023-08	<ol style="list-style-type: none"> Cynthia motioned to approve the C&P report and Kristin seconded; motion was approved unanimously Monica motioned to retroactively approve the grant from CHCF and Cynthia seconded; motion was approved unanimously Monica motioned to approve the acceptance of HRSA COVID Bridge Funding and Karen seconded; motion was approved unanimously Karen motioned to approve the addition of nutritional & optometry

<p>move forward with an agreement to preliminary terms.</p> <ol style="list-style-type: none"> 5. Rajat Simhan requested authority to submit SJ Health's annual HRSA certification. 6. Ahdel Ahmed presented the legislative and community updates. SJ Health is part of the Look-Alike (LAL) advocacy group and holds a position on the steering committee. The group represents 133 LAL across the country. 7. The Quarterly Quality Report was presented by Mary-Lou Milabu. Gap clinics, provider education, and better reporting have been focuses. Currently meeting 4 of our QIP measures. Increased colorectal cancer screening efforts have resulted in 3,596 orders for Cologuard, resulting in 137 positive results. Peer review results were also reviewed and potential issues with copy/pasting into chart was addressed. 8. The SJ Health Employee Handbook was presented by Barbara Kissinger-Santos for approval by the board. The handbook models San Joaquin Counties, as closely as possible. 9. July financials were presented by Kris Zuniga. Billable visits for July are unfavorable to budget by 403 visits. Net Patient Service Revenues for July are unfavorable to budget by \$162,673. July financials reflect a PPS liability accrual of \$25,000. <p>The payment for \$2,911,137 pertaining to the outstanding Medi-Cal PPS liabilities due to DHCS for FY2020 and FY2021 has been made in full and is reflected on the July financials.</p> <p>Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$988,329. Combined Grants Revenue includes revenues for Health Connect, Exact Sciences Focus Program, ARPA, Test To Treat Equity, HRSA Expanding Covid Vaccinations and HHIP Street Medicine grants for \$99,270. July financials include Capitation Revenue for \$535,611 and the 340B Pharmacy program revenue for \$94,607. Other Revenue includes revenues accrued for \$45,287 related to Purchased Services provided to SJGH by SJHC per the MOU and Interest Income of \$168,868. Total YTD Operating Revenue is unfavorable to budget by \$418,225.</p> <p>Salaries and Benefits expenses exhibit an unfavorable variance to budget by \$32,468 which is in line with an increase reflected for July in prior years. Other operating expenses exhibit a favorable variance of \$97,947 largely due to Supplies, Interest and other expenses with a favorable variance of 135,618 mainly offset by unfavorable variance in Professional Fees, Purchased Services, and Depreciation for \$37,671. An estimated expense for the Purchased Services is recorded for July based on the MOU. YTD expenditures are favorable to budget by \$65,479.</p> <p>Unaudited, as presented, Net Loss of \$141,247 is reflected on the July financials compared to budgeted Net Income of \$211,499.</p>		<p>services and Monica seconded; motion was approved unanimously</p> <ol style="list-style-type: none"> 4. Brian motioned to approve payment of the zoning fee and selection of Diede Construction as the contractor and Monica seconded; motion was approved unanimously 5. Cynthia motioned to grant authority to submit the annual HRSA certification and Samantha seconded; motion was approved unanimously 6. No action required 7. No action required 8. Cynthia motioned to approve the adoption of the SJ Health Employee Handbook and Monica seconded; motion was approved unanimously 9. Cynthia motioned to approve the July & August financials and Karen seconded; motion was approved unanimously 10. Samantha motioned to accept the membership recommendations from the Governance Committee and Kristin seconded; motion was approved unanimously 11. No action required
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Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at -4% against a goal of >3%, Bottom Line Margin at -4% against a goal of >3%, Days Cash on Hand at 175 against a goal of >45 days, Days in Net Patient Receivables at 29 against a goal of <60 days, and Personnel-Related Expenses at 87% against a goal of <70%.

August financials were presented. Billable visits for August are unfavorable to budget by 34 visits. Net Patient Service Revenues for August are unfavorable to budget by \$77,702. YTD financials reflect a PPS liability accrual of \$50,000.

The payment for \$2,911,137 pertaining to the outstanding Medi-Cal PPS liabilities due to DHCS for FY2020 and FY2021 has been made in full and is reflected on the YTD financials.

YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$1,976,658. Combined Grants Revenue includes revenues for Exact Sciences Focus Program, ARPA, ACE/Practice, Test To Treat Equity, HRSA Expanding Covid Vaccinations and HHIP Street Medicine grants for \$184,698. YTD financials include Capitation Revenue for \$1,078,323 and the 340B Pharmacy program revenue for \$183,198. Other Revenue includes revenues accrued for \$92,830 related to Purchased Services provided to SJGH by SJHC per the MOU and Interest Income of \$168,868. Total YTD Operating Revenue is unfavorable to budget by \$891,004 primarily due to budgetary underperformance of \$694,786 in the SJHC grant portfolio.

Salaries and Benefits expenses exhibit an unfavorable variance to budget by \$79,227. Other operating expenses exhibit a favorable variance of \$144,250 largely due to Purchased Services, Supplies, Interest, Insurance, Utilities, Rent and other expenses with a favorable variance of 313,140 mainly offset by unfavorable variance in Professional Fees, Dues, Repairs, Depreciation, Telephone, and miscellaneous expenses for \$168,890. An estimated expense for the Purchased Services is recorded for July and August based on the MOU. YTD expenditures are favorable to budget by \$65,024.

Unaudited, as presented, Net Loss of \$443,404 on a year-to-date basis is unfavorable compared to budget by \$825,981.

Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at -6% against a goal of >3%, Bottom Line Margin at -6% against a goal of >3%, Days Cash on Hand at 167 against a goal of >45 days, Days in Net Patient Receivables at 34 against a goal of <60 days, and Personnel-Related Expenses at 88% against a goal of <70%.

10. Membership recommendations from the Governance Committee were presented. It was recommended that Monica Fuentes be elected to another term. It was recommended that the board allow the term of Esgardo Medina to expire without renewal, due to inadequate attendance. It was recommended

<p>that Rod Place be elected to another term, in order to maintain needed stability at this time, due to a transition in SJ Health leadership.</p> <p>11. CEO Report (Greg Diederich) Greg introduced himself and discussed ways in which SJ Health can work synergistically with other County agencies to improve the overall state of health care delivery in our community.</p>		
<p>V. Closed Session (Rod Place)</p> <ol style="list-style-type: none"> 1. Rod commenced the closed session and the process for permanent CEO selection was discussed. 2. The CV for interim CEO candidate Greg Diederich was reviewed. Motion was put forth to appoint Greg Diederich as interim CEO and member of the Liaison Committee, with the acknowledgement and Board direction that, as interim CEO, he cannot unilaterally amend or revise the governing documents, specifically the Articles of Incorporation, the By-Laws, the Co-Applicant Agreement and the MOU, unless he is acting in conjunction with the Liaison Committee and the SJ Health Board of Directors. The motion was seconded and passed. 	<p>Greg Diederich CV- February 2023</p>	<ol style="list-style-type: none"> 1. No action required 2. A motion to appoint Greg Diederich as interim CEO, with stipulations, was made, seconded, and passed
<p>VI. Adjournment (Rod Place) There being no further topics of discussion, Rod Place adjourned the meeting at 7:40 p.m.</p>	<p>No attachments</p>	<p>No action required</p>

***NOTE: Board Member joined remotely**