

**Minutes of October 24, 2023
 San Joaquin Health Centers Board of Directors**

Board Members Present: Greg Diederich (Interim CEO); Monica Fuentes; Brian Heck (Vice Chair); Cynthia King; Karen Lee; Samantha Monks; Jodie Moreno; Kristin Shinn; Tarsha Taylor-Godfrey

Excused Absent: Rod Place (Board Chair)

Unexcused Absent: Esgardo Medina

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

Guests: Brandi Hopkins; James Myers; Jennifer Scott; Vasquez Company (Elisa Stilwell, Jay Toledo)

AGENDA ITEM	ATTACHMENTS	ACTION
I. Commencement/Call to Order (Brian Heck) 1. The meeting was called to order at 5:35 p.m. A quorum was established for today's meeting. 2. SJ Health Board of Directors' Attendance Record was made available.	2023 Board Member Attendance	No action required
II. Public Comment None	No attachment	No action required
III. Consent Calendar (Brian Heck) 1. The consent calendar for October 2023 was approved unanimously, including: a. Minutes of SJ Health Board Meeting 9/26/2023	Board Minutes 2023-09-26	1. Karen motioned to approve the consent calendar and Monica seconded; the motion was approved unanimously
IV. Regular Calendar (Rod Place) 1. New officer slate was discussed. a. Recommendations from Governance Committee i. Board Chair – Brian Heck ii. Board Vice-Chair – Cynthia King iii. Treasurer – Rod Place b. The floor was open for other nominations. 2. New Liaison Committee appointments were discussed. The two appointments put forth were Brian Heck and Karen Lee. 3. New Board Member James Myers was presented for consideration, with the recommendation from Governance Chair Brian Heck. James Myers was approved for membership with a 3-year term. a. It is noted that Esgardo Medina has reached his membership has reached the end of its term, as of this month. 4. The 2023-24 committee appointment suggestions were discussed by Brian Heck. New committee compositions are as follows. a. Audit Committee i. Samantha Monks – Chair ii. Jodie Moreno		1. Monica motioned to approve the officer slate as recommended by Brian and Samantha seconded; motion was approved unanimously 2. Per co-applicant agreement, no vote needed 3. Tarsha motioned to approve board membership for James Myers and Monica seconded; motion was approved unanimously 4. Per bylaws, no vote needed for committee appointments

<ul style="list-style-type: none"> iii. Monica Fuentes b. Finance Committee <ul style="list-style-type: none"> i. Rod Place – Chair ii. Samantha Monks iii. Karen Lee c. Governance Committee <ul style="list-style-type: none"> i. Brian Heck – Chair ii. Kristin Shinn iii. Tarsha Taylor-Godfrey d. Quality Committee <ul style="list-style-type: none"> i. Kristin Shinn – Chair ii. Cynthia King iii. James Myers <p>5. The Credentialing & Privileging report was presented by Kim Cuellar. Reappointments are: David Birdsall, MD; Sreyasi Bhattacharya, MD; Patara Rojanavongse, MD; Cynthia Flores, MD; Alfred Troncales, MD; Imeline Troncales, MD; Monish Sodhi, MD; Megha Goyal, MD; and Narinder Sing, MD.</p> <p>6. Jeff Slater presented a retroactive approval to submit DHCS – Equity and Practice Transformation (EPT) Payment Program Application. Total funds available are \$5 million over 5 years and funds are non-restricted.</p> <p>7. Ahdel Ahmed presented the legislative and community updates. California SB525 passed, increasing minimum wages for all healthcare workers.</p> <p>8. September financials were presented by Kris Zuniga. Billable visits for September are unfavorable to budget by 1,487 visits. Net Patient Service Revenues for September are unfavorable to budget by \$443,905. The decrease in Net Patient Service revenues is in line with the decline in visits in September. YTD financials reflect a PPS liability accrual of \$75,000.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$2,964,987. 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 \$1,077,254. Also, September grant revenues are higher compared to budget due to the recognition of ARPA grant revenue for \$794,322 for identified retroactive allowable expenses related to July 2022 through September 2023. YTD financials include Capitation Revenue for \$1,604,793 and the 340B Pharmacy program revenue for \$363,257. Other Revenue includes revenues accrued for \$162,607 related to Purchased Services provided to SJGH by SJHC per the MOU and Interest Income of \$168,889. Total YTD Operating Revenue is unfavorable to budget by \$814,511 primarily due to budgetary underperformance of \$221,973 in the SJHC grant portfolio. Also, YTD Operating Revenue is unfavorable to budget by \$684,280 due to the decrease in Net Patient Service revenues because of decline in billable visits.</p>		<ul style="list-style-type: none"> 5. Cynthia motioned to approve the credentialing & privileging report and Jodie seconded; motion was approved unanimously 6. Cynthia motioned to accept the retroactive approval of the DHCS EPT program application and Jodie seconded; motion was approved unanimously 7. No action required 8. Karen motioned to approve the finance report and Monica seconded; motion was approved unanimously 9. Jodie motioned to accept the FY2023 audit report and Karen seconded; motion was approved unanimously 10. No action required 11. No action required 12. No action required 13. No action required
--	--	---

Salaries and Benefits expenses exhibit a favorable variance to budget by \$234,411. Other operating expenses exhibit an unfavorable variance of \$42,197 largely due to Purchased Services, Supplies, Interest, Insurance, Utilities, Rent and other expenses with a favorable variance of 381,783 mainly offset by unfavorable variance in Professional Fees, Dues, Repairs, Depreciation, Telephone, and miscellaneous expenses for \$423,980. An estimated expense for the Purchased Services is recorded for July through September based on the MOU. YTD expenditures are favorable to budget by \$192,214.

Unaudited, as presented, Net Loss of \$40,178 on a year-to-date basis is unfavorable compared to budget by \$622,297.

Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at -0.3% against a goal of >3%, Bottom Line Margin at -0.3% against a goal of >3%, Days Cash on Hand at 168 against a goal of >45 days, Days in Net Patient Receivables at 35 against a goal of <60 days, and Personnel-Related Expenses at 83% against a goal of <70%.

9. Fiscal Year 2023 audit was presented by the Vasquez Group. Audit report was presented. No material exceptions were noted in areas of risk/concerns, including cash & cash equivalents, revenues & receivables (cash & cash equivalent, patient services revenues & receivables, grant revenues, QIP revenues, pharmacy revenues, related receivables), property & equipment, AP & accrued expenses, estimated settlements due from/to third-parties, right-of-use asset & lease liability, due from affiliate, and net assets with donor restrictions.

Total federal expenditures were \$4.3 million.

Unmodified opinion is "clean," with no material weaknesses, significant deficiencies, or noncompliance material to the financial statements found.

Finding No. 2023-001: Inaccurate Application of Sliding Fee Discounts. Patients were undercharged by a total of \$60. This is a repeat finding from FY2021-22 and these occurrences happened prior the resultant correction plan from that period. Findings are expected to drop off at next audit.

Performance Improvement Observations revealed no significant findings, but best practice findings showed 6 areas for improvement, all relating to IT.

Susan Thorner recommended requesting an update on the significant finding and informing HRSA about the nature of this, including as part of the entry conference.

10. Attendance and quorum protocols were discussed by Susan Thorner regarding the importance of in-person attendance. There were 9 members attending this month, with no members joining remotely.

<p>11. The Memorandum of Understanding (MOU) between SJ Health and San Joaquin County was presented by Greg for review. There are 10 signatories to the current MOU and involves the purchasing of 21 domains. Several aspects of the MOU were noted as being outdated based on current needs and costs. Percentage of purchased services also needs to be reviewed and adjusted based on quantifiable metrics, as previous expenses were based on estimates.</p> <p>12. Reporting format was discussed by the group. Karen recommended more specifics on why financials and quality metrics are changing, not just monthly trends. Kris will work with a few board members to tailor the financial reports to include more contexts.</p> <p>13. Greg Diederich presented the October CEO report. It was noted that some staffing changes may need to occur to ensure better management and supervisory practices.</p>		
<p>V. Closed Session (Brian Heck)</p> <p>1. Brian commenced closed session to discuss real property development pursuant to government code section 54956.8. Nothing to report out of this portion of the closed session.</p> <p>2. Closed session with CEO and Board to discuss significant exposure to litigation pursuant to government code section 54956.9(d)(2). Nothing to report out of this portion of the closed session.</p>		<p>1. No action required</p> <p>2. No action required</p>
<p>VI. Adjournment (Brian Heck) There being no further topics of discussion, Brian Heck adjourned the meeting at 7:11 p.m.</p>	No attachments	No action required

***NOTE: Board Member joined remotely**