

Minutes of December 19, 2023 San Joaquin Health Centers Board of Directors

Board Members Present: Greg Diederich (Interim CEO); Brian Heck (Vice Chair); Cynthia King*; Jodie Moreno; Kristin Shinn; Tarsha Taylor-Godfrey

Excused Absent: Karen Lee; Samantha Monks

Unexcused Absent: Monica Fuentes; James Myers; Rod Place (Board Chair)

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; Jennifer Scott

AGENDA ITEM	ATTACHMENTS	ACTION
<p>I. Commencement/Call to Order (Brian Heck)</p> <ol style="list-style-type: none"> 1. The meeting was called to order at 5:33 p.m. A quorum was not established for today's meeting. 2. SJ Health Board of Directors' Attendance Record was made available. 	2023 Board Member Attendance	No action required
<p>II. Public Comment</p> <p>No public comment.</p>	No attachment	No action required
<p>III. Consent Calendar (Brian Heck)</p> <ol style="list-style-type: none"> 1. The consent calendar for December 2023 was deferred to next month, due to lack of quorum: <ol style="list-style-type: none"> a. Minutes of SJ Health Board Meeting 11/28/2023 b. Separation of Patients for Cause Policy 	Board Minutes 2023-11-28; Separation of Patients for Cause Policy	1. Deferred to January 2024
<p>IV. Regular Calendar (Rod Place)</p> <ol style="list-style-type: none"> 1. Credentialing & Privileging report was deferred to next month, due to lack of quorum. 2. Billable visits for November are unfavorable to budget by 2,337 visits. The decline in visits is mainly related to vacant positions and physician turnover in FY24. The recruitment efforts are ongoing to fill the vacant positions. Net Patient Service Revenues for November are unfavorable to budget by \$378,937. Also, November financials include a favorable adjustment of \$126,100 related to the true up of prior period payment received from DHCS in July 2023. The decrease in Net Patient Service revenues is in line with the decline in visits. YTD financials reflect an estimated July through November PPS liability accrual of \$125,000. <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 YTD financials.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue for \$4,941,645, which plays a significant role in the profitability of SJHC. Combined Grants Revenue includes revenues for CCAEC, Exact Sciences Focus Program, ARPA, ACE/Practice, Test To Treat Equity, Heluna Health, HRSA Expanding Covid Vaccinations, SOR3, Path Cited, Discovery Challenge</p>	December 2023 SJHEALTH Provider Credentialing Worksheets; CFO Presentation 2023-11; Finance Narrative – 2023-11	1. Deferred to January 2024 2. Deferred to January 2024 3. No action required 4. Deferred to January 2024 5. No action required 6. No action required 7. No action required

Academy, ECM, and HHIP Street Medicine grants for \$1,540,255. Also, YTD ARPA grant revenues are higher compared to budget due to the recognition of \$794,322 for activity related to July 2022 through September 2023 period. YTD financials include Capitation Revenue for \$2,660,140 with consistent monthly physician capitation payments. The 340B Pharmacy program revenue for \$911,207 has been reflected on the YTD financials and is higher than the budget by \$200,425. In November, the increase in 340B program revenues is mainly due to the recognition of CVS pharmacy related revenues for \$276,445 for the period of April through November 2023. Other Revenue includes revenues accrued for \$261,428 related to Purchased Services provided to SJGH by SJHC per the MOU. YTD Interest income for \$329,944 has been reflected on the financials, which is favorable compared to budget by \$301,723 mainly due to higher cash balance. Total YTD Operating Revenue is unfavorable to budget by \$1,210,477 primarily due to the decline in billable visits and budgetary underperformance in the SJHC grant portfolio.

Salaries and Benefits expenses exhibit a favorable variance to budget by \$708,820 which is mainly related to lower benefits expense. For purposes of annual budgeting, per SJ County direction, county employees purchased by SJHC were budgeted at 66% benefits cost to salaries. Year-to-date actual benefits cost as a percentage of salaries, as of November 2023 is 41%. Other operating expenses exhibit an unfavorable variance of \$313,202 largely due to an unfavorable variance for \$1,054,788 in Professional Fees, Purchased Services, Dues, Repairs, Depreciation, Telephone, and Advertising expenses offset by a favorable variance of \$741,486 reflected in the Supplies, Interest, Office, Travel, Insurance, Utilities, Rent and other expense categories. An estimated expense for the Purchased Services is recorded for July through November based on the MOU. YTD total Operating Expenditures are favorable to budget by \$395,518.

Unaudited, as presented, Net Loss of \$263,899 on a year-to-date basis is unfavorable compared to budgeted Net Income of \$551,061.

Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at -1.4% against a goal of >3%, Bottom Line Margin at -1.4% against a goal of >3%, Days Cash on Hand at 159 against a goal of >45 days, Days in Net Patient Receivables at 27 against a goal of <60 days, and Personnel-Related Expenses at 84% against a goal of <70%.

Work persists with legal counsel and legislative representatives to realize statewide mobile health care and consolidated intermittent clinic strategies.

3. Kris provided an update on the corrective action plan to address findings from recent audits regarding Sliding Fee Scale errors. Extensive training and retraining has been a focus to ensure they are using the SFDP appropriately and in coordination with our billing vendor EMMI. We have also been auditing 100% of SFDP in conjunction with use of audit tools.

<p>4. A dental services agreement was presented by Greg. We will be pursuing a partnership with CMC to address dental services in several possible ways. Greg will execute a contract and pursue retroactive approval from the Board.</p> <p>5. The board meeting calendar for 2024 was presented for discussion. To allow more Board input, this will be sent to all Board members to review and discuss at next month's meeting.</p> <p>6. Legislative updates were presented by Ahdel. A letter is being crafted to send to the White House to address NAP application disparities for Look-A-Likes to benefit from 330 Grantee status.</p> <p>7. The CEO report was presented by Greg. Mock OSV to prepare for our HRSA site visit was conducted. Work is underway to close any documentation gaps. Partnership with SJGH continues to improve. Interim COO interviews have been conducted, with a final decision expected by end of 2023. Street medicine teams continue to grow and will begin utilizing paid interns to expand into the Stanislaus County area.</p>		
<p>V. Closed Session (Brian Heck)</p> <p>1. Brian commenced closed session to discuss significant exposure to litigation was discussed, pursuant to government code section §54956.9(b). County and independent investigations have begun, but no other updates yet.</p> <p>2. Discussion took place regarding the public employee appointment of a permanent Chief Executive Officer, pursuant to government code §54957. Compensation package will be prepared after HRSA OSV, then CEO recruitment will begin.</p>	No attachment	No action required
<p>VI. Adjournment (Brian Heck)</p> <p>There being no further topics of discussion, Brian Heck adjourned the meeting at 6:42 p.m.</p>	No attachments	No action required

***NOTE: Board Member joined remotely**