

Ad Hoc - Minutes of January 6, 2024
San Joaquin Health Centers Board of Directors – Special Session

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

Excused Absent: Monica Fuentes; Rod Place (Treasurer)

Unexcused Absent: none

SJHC Staff: Michael Allen; Susan Thorner; Kris Zuniga

Guests: None

AGENDA ITEM	ATTACHMENTS	ACTION
<p>I. Commencement/Call to Order (Rod Place)</p> <p>1. The meeting was called to order at 10:05 a.m. A quorum was established for today's meeting.</p>	No attachments	No action required
<p>II. Public Comment</p> <p>1. None</p>	No attachments	No action required
<p>III. Consent Calendar</p> <p>1. Minutes of SJ Health Board Meeting 11/28/23 & 12/19/23</p> <p>2. Separation of Patients for Cause Policy</p>	SJ Health Ad Hoc Packet 2024-01-06	1. Cynthia motioned to approve the consent items and James seconded; motion was approved unanimously
<p>IV. Regular Calendar</p> <p>1. December Credentialing and Privileging Report was reviewed. Initial appointments are: Susan Sims, NP; Kristin Pierce CNM; Julia Goldin, CNM. Reappointments are: David Birdsall, MD; Shailaja Munagala, MD; Lindsay Allen, PA; Amarpreet Everest, DO; Sun Yong Lee, MD.</p> <p>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> <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</p>	December 2023 SJHEALTH Provider Credentialing Worksheets; CFO Presentation – 2023-11; Finance Narrative – 2023-11; Request for approval to execute Dental MOU	<p>1. Jodie motioned to approve the credentialing report and Samantha seconded; motion was approved unanimously</p> <p>2. Tarsha motioned to approve the finance report and Samantha seconded; motion was approved unanimously</p> <p>3. Cynthia motioned to approve pursuing the dental services agreement and James seconded; motion was approved unanimously</p>

Challenge 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. The dental services agreement was presented by Greg. It was noted by James how important preventative dental care is, but also how difficult it can be for health centers to deliver. It was agreed by all that pursuing this partnership with CMC would be a valuable addition to SJ Health's services.

V. <u>Adjournment (Brian Heck)</u> There being no further topics of discussion, Brian Heck adjourned the meeting at 10:39 a.m.	No attachments	No action required
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