

**Minutes of February 27, 2024  
San Joaquin Health Centers Board of Directors**

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

**Excused Absent:** none

**Unexcused Absent:** none

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

**Guests:** Brandy Hopkins

AGENDA ITEM	ATTACHMENTS	ACTION
<p><b>I. <u>Commencement/Call to Order (Brian Heck)</u></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>SJ Health Board of Directors' Attendance Record was made available.</li> </ol>	<p>2024 Board Member Attendance</p>	<p>No action required</p>
<p><b>II. <u>Public Comment</u></b> No public comment.</p>	<p>No attachment</p>	<p>No action required</p>
<p><b>III. <u>Consent Calendar (Brian Heck)</u></b></p> <ol style="list-style-type: none"> <li>The consent calendar for January 2024 was presented:             <ol style="list-style-type: none"> <li>Minutes of SJ Health Board Meeting 01/30/2024</li> </ol> </li> </ol>	<p>Board Minutes 2024-01-30</p>	<p>1. Cynthia motioned to accept the minutes from the January meeting and Jodie seconded; minutes were approved unanimously</p>
<p><b>IV. <u>Regular Calendar (Brian Heck)</u></b></p> <ol style="list-style-type: none"> <li>The Board was informed of the resignation of Rod Place, effective 2/20/2024. A certificate of appreciation will be sent out to him.</li> <li>The annual workplan was presented to the board. This document will help ensure we are addressing all compliance issues on an annual basis.</li> <li>The Credentialing &amp; Privileging Report was presented. Initial appointments are Yunah Hwang, NP; Nasrin Sanei, CNM. Reappointments are Satinder Singh, DO; Rob Harriz, MD. Resignation is Richa Handa with a separation date of 5/17/24.</li> <li>Year-to-date (YTD) billable visits as of January 2024 are unfavorable to budget by 8,621 visits. The decline in visits is mainly related to vacant positions and physician turnover in FY24. Recruitment efforts are ongoing to fill the vacant positions. Net Patient Service Revenues for the month of January are unfavorable to budget by \$128,399. YTD Net</li> </ol> <p>Patient Service revenue includes a true up adjustment recorded for \$1,389,977 for FY2023 PPS reconciliations recorded</p>		<ol style="list-style-type: none"> <li>No action required</li> <li>No action required</li> <li>Karen motioned to accept the credentialing &amp; privileging report and Kristin seconded; motion was approved unanimously</li> <li>Jodie motioned to accept the finance report and Samantha seconded; motion was approved unanimously</li> <li>Monica motioned to accept the new Sliding Fee Discount Program and Karen seconded;</li> </ol>

<p>as of December 2023. Also, YTD financials include a favorable adjustment of \$126,100 related to the true up of prior period payment received from DHCS in July 2023. YTD financials reflect an estimated YTD PPS liability accrual of \$175,000.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of \$10,013,101, which plays a significant role in the overall profitability of SJHC. January financials include the recognition of additional QIP Revenues for \$553,139 for PY5 (CY2022) and \$5,268,355 for PY6 (CY2023) and \$254,478 for January for PY7 (CY2024) based on the updated information received in February. Also, January financials include an estimated \$3,000,000 adjustment recorded as a QIP Revenue Reserve.</p> <p>YTD financials include Capitation Revenue of \$3,696,708 and Managed Care Incentives revenue of \$503,362. A HEDIS incentive payment of \$503,092 was received in December 2023 related to calendar year 2022 performance.</p> <p>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 Academy, ECM, and HHIP Street Medicine grants for \$1,949,368. 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.</p> <p>The 340B Pharmacy program revenue of \$1,321,803 has been reflected in the YTD financials and is higher than the budget by \$326,709. The increase in 340B program revenues is mainly due to the recognition of CVS pharmacy related revenues for \$466,325 on the YTD financials.</p> <p>Other Revenue includes revenues accrued for \$350,384 related to Purchased Services provided to SJGH by SJHC per the MOU. YTD Interest income for \$499,405 has been reflected on the financials, which is favorable compared to budget by \$459,896 mainly due to higher cash balance contained within the County Treasury.</p> <p>Total YTD Operating Revenue is favorable to budget by \$2,930,971 primarily due to the favorable QIP adjustments recorded in January.</p> <p>Salaries and Benefits expenses exhibit a favorable variance to budget by \$1,439,679 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 January 2024 is 43%.</p> <p>Other operating expenses exhibit an unfavorable variance of \$696,923 largely due to an unfavorable variance for</p>		<p>motion was passed unanimously</p> <p>6. Jodie motioned to accept the Quality Report and Kristin seconded; motion was passed unanimously</p> <p>7. No action required</p>
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\$1,582,327 in Professional Fees, Purchased Services, Dues, Repairs, Telephone, Insurance, and Advertising expenses offset by a favorable variance of \$885,404 reflected in the Supplies, Depreciation, Interest, Office, Travel, Utilities, Rent and other expense categories. An estimated accrual for the Purchased Services is recorded for July through January based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by \$742,756.

Unaudited, as presented, Net Income of \$4,195,134 on a year-to-date basis represents a favorable variance of \$3,673,727 as compared to budgeted Net Income of \$521,407. YTD Net Income is favorable mainly due to the recognition of unbudgeted revenues related to PPS reconciliations for prior periods for \$1,516,077, Managed Care Incentive payments for \$503,092, and QIP revenue related adjustments for \$6,075,972 for PY5, PY6 and January 2024 for PY7 partially offset by an increase in the QIP revenue reserve of \$3,000,000.

Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 13.1% against a goal of >3%, Bottom Line Margin at 13.2% against a goal of >3%, Days Cash on Hand at 160 against a goal of >45 days, Days in Net Patient Receivables at 31 against a goal of <60 days, and Personnel-Related Expenses at 71% against a goal of <70%.

5. The Sliding Fee Discount Program was updated with the 2024 poverty rates and presented to the Board for approval. The Board approved the program rates unanimously.
6. The quarterly Quality report was presented by Mary-Lou Milabu. Patient Satisfaction scores for the 4<sup>th</sup> quarter were reviewed. 58.3% of comments were positive and 19.9% were negative (n=517). A task force is being formed to review the negative comments & scores and develop a plan to mitigate.

QIP Program Year 6 scores were reviewed. Measures met are Chlamydia Screening, Childhood Immunization Status, Immunizations for Adolescents, Lead Screenings in Children, Prenatal & Postpartum Care, and Child & Adolescent Well-Care Visits. Asthma Medication Ratio score is being contested, due to the generic version of Symbicort not being included in our score.

Saturday gap clinics are being used to help meet screening goals.

Provider peer review efforts were shared. 184 charts were audited during the 4<sup>th</sup> quarter, with 5 charts requiring follow-up action.

7. The CEO report was presented by Greg Diederich. UDS submitted on time. Still waiting on OSV final report. Interim COO

<p>has begun holding regular management meetings. Working on developing a new marketing plan. ECM staff will be moving to another site in Lathrop within the next few months. Substantial increases in staff are being added to our County budget proposal. Pursuing further staff development partnerships, such as UOP interns/externs. Reviewing IT &amp; BI capabilities to bring more resources in-house instead of contracting out.</p>		
<p><b>V. Closed Session (Greg Diederich)</b> The closed session was commenced by Brian Heck pursuant to an update on significant exposure to litigation [Gov Code §54956.9(b)].</p> <p>Nothing to report out of closed session.</p>		<p>1. No action required</p>
<p><b>VI. Adjournment (Brian Heck)</b> There being no further topics of discussion, Brian Heck adjourned the meeting at 7:40 p.m.</p>	<p>No attachments</p>	<p>No action required</p>

**\*NOTE: Board Member joined remotely**