

## Minutes of June 25, 2024

### San Joaquin Health Centers Board of Directors

**Board Members Present:** Greg Diederich (Interim CEO); Greg Baumgarten; Maryjane Castrence; Brian Heck (Board Chair); Japleen Kaur; Samantha Monks (Treasurer); Jodie Moreno; James Myers; Kristin Shinn (Vice Chair); Tarsha Taylor-Godfrey

**Excused Absent:** Monica Fuentes; Karen Lee

**Unexcused Absent:** none

**SJHC Staff:** Michael Allen (Board Clerk); Jonathon Diulio; Mary-Lou Milabu; Reuben Pettiford; Cynthia Rios; Susan Thorner; Kris Zuniga

**Guests:** Brandy Hopkins; Baleriano Reyes

AGENDA ITEM	ATTACHMENTS	ACTION
<b>I. Commencement/Call to Order (Brian Heck)</b> 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.	2024 Board Member Attendance	No action required
<b>II. Public Comment</b> No public comment.	No attachment	No action required
<b>III. Consent Calendar (Brian Heck)</b> 1. The consent calendar for June 25, 2024 was presented: a. Minutes of SJ Health Board Meeting 05/28/2024	Board Minutes 2024-05-28	1. Samantha motioned to accept the minutes from the May meeting and Tarsha seconded; minutes were approved unanimously
<b>IV. Regular Calendar (Brian Heck)</b> 1. Membership was discussed and voted on for prospective candidates Greg Baumgarten and Maryjane Castrence.  2. Nominations were put forward to fill the Vice Chair vacancy and a secret ballot vote was conducted. Both Karen Lee and Kristin Shinn were interested in filling the role and no nominations came from the floor. Kristin received the majority of the votes.  3. The Credentialing & Privileging Report was presented. Initial appointments are: Connie Davis, NP; Dawn Renshaw, NP; MaryJayne Johnson, NP; Sunnie Skiles, MD; Aung Ye, MD; and Maham Rahman, MD.  4. Year-to-date (YTD) billable visits as of May 2024 are unfavorable to budget by 12,986 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 May are unfavorable to budget by \$111,996. YTD Net Patient Service revenue includes a true up adjustment recorded for \$1,389,977 for FY2023 PPS reconciliations in December 2023. Also, YTD financials include a favorable adjustment of \$126,100 related to the true up of prior period payment received		1. Samantha motioned to approve board membership for Greg Baumgarten and Japleen seconded; motion was approved unanimously  Kristin motioned to approve board membership for Maryjane Castrence and James seconded; motion was approved unanimously  2. Per secret ballot votes, Kristin received the majority of votes. James motioned to accept the nomination of Kristin to Vice Chair and Samantha seconded; the motion

<p>from DHCS in July 2023. YTD financials reflect an estimated YTD PPS liability accrual of \$275,000.</p> <p>YTD 340B pharmacy program revenues include supplemental payments received from Department of Health Care Services for \$735,778 and \$166,222 in February and March. Also, \$27,912 payment from CMS has been reflected on the YTD financials.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of \$14,997,359, which plays a significant role in the overall profitability of SJHC. YTD financials include the recognition of additional QIP Revenues for \$555,742 for PY5 (CY2022) and \$5,310,715 for PY6 (CY2023) and \$1,165,151 from January through May for PY7 (CY2024) based on the updated information received in February. Also, YTD financials include an estimated \$3,000,000 adjustment recorded as a QIP Revenue Reserve.</p> <p>YTD financials include Capitation Revenue of \$5,760,544 and Managed Care Incentives revenue of \$507,297. A HEDIS incentive payment of \$503,092 was received in December 2023 related to calendar year 2022 performance.</p> <p>YTD combined Grants Revenue includes revenues for Sunlight Giving, CCAEC, Exact Sciences Focus Program, ARPA, ACE/Practice, Test-To -Treat Equity, KP Health Connect, Heluna Health, HRSA Expanding Covid Vaccinations, SOR3, Path Cited, Discovery Challenge Academy, ECM, and HHIP Street Medicine grants for \$2,816,071. Also, YTD financials include ARPA grant revenues related to the reimbursement of pension costs for \$53,762 from November 2022 through June 2023. YTD combined grant revenues are unfavorable to budget by \$1,988,860 mainly due to an underperformance of grant portfolio.</p> <p>The 340B Pharmacy program revenue of \$2,751,474 has been reflected in the YTD financials and is higher than the budget by \$1,187,755. The increase in 340B program revenues is mainly due to the recognition of CVS pharmacy related revenues for \$361,005 along with supplemental payments received from DHCS for 902,000 on the YTD financials.</p> <p>Other Revenue includes revenues accrued for \$553,022 related to Purchased Services provided to SJGH by SJHC per the MOU. YTD Interest income for \$665,878 has been reflected on the financials, which is favorable compared to budget by \$603,793 mainly due to higher cash balance contained within the County Treasury.</p> <p>Total YTD Operating Revenue is favorable to budget by \$3,551,188 primarily due to the favorable QIP adjustments recorded in January and February.</p> <p>Salaries and Benefits expenses exhibit a favorable variance to budget by \$2,573,702 which is mainly related to lower benefits expense. For purposes of annual budgeting, per SJ County</p>		<p>was approved unanimously</p> <p>3. James motioned to accept the Credentialing &amp; Privileging Report and Samantha seconded; the motion was approved unanimously</p> <p>4. Kristin motioned to accept the Finance Report and Maryjane seconded; motion was approved unanimously</p> <p>5. Greg motioned to accept the QI/QA Quarterly Report and Samantha seconded; motion was approved unanimously</p> <p>6. James motioned to adopt the Walk-In Care Policy and James seconded; motion was approved unanimously</p> <p>The motioned to adopt the Missed Appointment Policy was not advanced at this time</p> <p>7. No action required</p> <p>8. No action required</p> <p>9. No action required</p> <p>10.No action required</p>
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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 May 2024 is 44%. Also, May Salaries and Benefits expenses are lower than budget mainly due to a reversal of \$378,292 related to payroll costs accrued for an extra 5 days in April. YTD Salaries and Benefits expenses are in line with the anticipated actual payroll costs as of May 2024.

Other operating expenses exhibit an unfavorable variance of \$1,450,060 largely due to an unfavorable variance for \$2,774,037 in Professional Fees, Dues, Repairs, Telephone, Insurance, Travel, Utilities, Rent, and Advertising expenses offset by a favorable variance of \$1,323,977 reflected in the Purchased Services, Supplies, Depreciation, Interest, Office, and other expense categories. An estimated accrual for the Purchased Services is recorded for July through May based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by \$1,123,642.

Unaudited, as presented, Net Income of \$5,210,748 on a year-to-date basis represents a favorable variance of \$4,674,830 as compared to budgeted Net Income of \$535,919. 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 \$7,031,608 for PY5, PY6 and January through May 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 10.4% against a goal of >3%, Bottom Line Margin at 10.8% against a goal of >3%, Days Cash on Hand at 204 against a goal of >45 days, Days in Net Patient Receivables at 33 against a goal of <60 days, and Personnel-Related Expenses at 72% against a goal of <70%.

5. QI/QA Quarterly Report was presented by Mary-Lou Milabu. HEDIS/MCAS measures were reviewed. Asthma medication ratio and lead screening in children have both been met for the measurement period.

Measures not met were reviewed and gap closure plans were discussed. Gap clinics have been successful, and patients are receptive to outreach and incentive programs. Controlling high blood pressure measure has been challenging, with only 865 patients to goal. Cervical cancer screening has a large denominator of 11,397 and we are 1,979 patients to goal. Mary-Lou confirmed that if claims are being submitted to HPSJ, then patients are captured even if they are not screened by SJ Health.

Medical record review was discussed. Four provider categories received a conditional pass, while all others achieved >90%

<p>and an exempted pass. Conditional passes require a corrective action plan, which were developed and in progress, including additional training/education. Some contributing factors were lack of translation/interpretive service documentation, documentation of allergic reaction types, and screening documentation.</p> <p>Medical record reviews have resulted in further efforts to close gaps and educate providers.</p> <p>Patient satisfaction overall scores are 58.8% positive, 19.6% negative and 21.8% neutral/mixed.</p> <ol style="list-style-type: none"> <li>6. Two new policies involving patient access were presented to the board: a Walk-In Care Policy &amp; a Missed Appointment Policy. The Walk-In Policy was approved with a request to add verbiage regarding nurse triaging. The Missed Appointment Policy vote was deferred to a future meeting, based on recommended further consultations with insurance providers.</li> <li>7. Board Self-Evaluations were distributed and will be collected and compiled for presentation at the July meeting.</li> <li>8. The CMO Report was presented by Dr. Jonathon Diulio.</li> <li>9. The COO report was presented by Reuben Pettiford. The recent hacking attempt was reviewed and mitigation efforts discussed. Noted that we are adding 37 new full-time positions with the 2024-25 budget. Recent collaborations with SJGH have been positive.</li> <li>10. The CEO Report was presented in written form and presented by Brian, including the following: County approved the 2024-2025 SJ Health budget without comment on June 18<sup>th</sup>; Initiation of requisition and recruitment of an initial set of the newly allocated full-time positions has begun (net increase of 37.3 positions); Met with County HR to discuss creation of various single allocation positions for SJ Health (e.g. Director of Operations, Revenue Cycle Manager and others) along with additional IT positions; Strict adherence to SJCERA limit of 1,560 worked hours for part time staff now required; Employee evaluations for the remaining four 501c3 employees being completed prior to issuing a COLA; Final submission to remove the three HRSA operational site visit findings is wrapping up with Reuben leading; Staff submitted QIP measures on June 14<sup>th</sup> with the clinics achieving 96% of potential points; Continued work on Intermittent Clinic Strategy roll-out, including scheduling UAPD discussions; The extension of various vendor contracts has been completed; I am attending Family Medicine, Pediatrics and OB/GYN provider meetings that also include Rick Castro; We have established twice monthly operational leadership meetings with</li> </ol>		
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<p>SJGH; UHC Solutions has initiated their search for the Project Director/CEO and met with the members of the Liaison Committee, expectation is that two final candidates will be presented at our August Board meeting; Looking at the HRSA New Access Point grant opportunity and consultant support regarding, but it will be highly competitive and have various constraints – Kris to expand upon; HPSJ to offer \$25 million in infrastructure/capacity grants to safety net providers; Engagement with the Housing Authority on potential partnerships for Clinics and PACE sites; Health Care Services is progressing with pre-development work with the aspirational Be Well campus and desires partnership with SJ Health on potential Prop 1 grant opportunities and establishment of an FQHC Urgent Care center on the campus; Limited additional work performed on the use of HRSA grant funds for pivot to expanded Dental services in Manteca, I do not want to simply walk away from the funding but there are now political dynamics; County lead investigation has completed, and a draft report is now being reviewed; Successfully mitigated a substantial IT breach exposure that occurred on June 8<sup>th</sup>; Last week I was notified that I would have a performance review by the San Joaquin County Board of Supervisors on July 9<sup>th</sup>.</p>		
<p><b>V. <u>Closed Session (Brian Heck)</u></b> CEO Evaluation summary presentation will occur via email to all members, as only half of all evals were turned in.</p> <p>No closed session conducted.</p>		<p>1. No action required</p>
<p><b>VI. <u>Adjournment (Brian Heck)</u></b> There being no further topics of discussion, Brian Heck adjourned the meeting at 7:41 p.m.</p>	<p>No attachments</p>	<p>No action required</p>

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