

Minutes of October 29, 2024

San Joaquin Health Centers Board of Directors

Board Members Present: Becky Cook; Greg Diederich (Interim CEO); Monica Fuentes; Brian Heck (Board Chair); Karen Lee; Samantha Monks (Treasurer); Jodie Moreno; James Myers; Kristin Shinn (Vice Chair)

Excused Absent: James Myers

Unexcused Absent: None

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

Guests: Brandy Hopkins

AGENDA ITEM	ATTACHMENTS	ACTION
I. <u>Commencement/Call to Order (Brian Heck)</u> 1. The meeting was called to order at 5:31 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
II. <u>Public Comment</u> No public comment.	No attachment	No action required
III. <u>Consent Calendar (Brian Heck)</u> 1. The consent calendar for October 29, 2024 was presented: a. Minutes of SJ Health Board Meeting 09/24/2024	Board Minutes 2024-09-24	1. Samantha motioned to accept the consent calendar and Karen seconded; Brian abstained, due to not reviewing the minutes; otherwise, they were approved unanimously
IV. <u>Regular Calendar (Brian Heck)</u> 1. The Board was presented with an application for a new member named Rick Ledo, who is also a patient at our clinics. The Governance Committee interviewed this candidate via conference call on 9/27/24. Some concern was noted about a prior felony on his record from about 20 years ago. His experience as a patient was also noted as a strong point. 2. Brian Heck's current 3-year term expires this month and he would like to renew his membership for another 3-year term. 3. Nominations for the 2024-25 officer slate were presented, as well as asking if there were any nominations from the floor. The officer slate proposed by the Governance Committee was Brian as Chair, Kristen as Vice Chair, and Samantha as Treasurer. Jodie nominated Karen as Chair and Karen spoke about some changes she would like to implement. It was noted that with Greg's departure, continuity of the Chair may be beneficial. After the vote, the 2024-25 officer slate is Brian as Chair, Kristen as Vice Chair, and Samantha as Treasurer.	1. Board Application – Rick Ledo 2. No attachment 3. No attachment 4. October 2024 SJHEALTH Provider Credentialing 5. CFO Presentation – 2024-09; Finance Narrative – 2024-09 6. No attachment 7. CMO Report – October 2024	1. Kristen motioned to approve the membership of Rick Ledo and Becky seconded; Monica abstained, Jodie voted no, and the remaining 5 members voted yes; Rick was approved for membership to the board 2. Jodie motioned to renew Brian Heck's board membership and Monica seconded; motion was passed unanimously 3. Kristen motioned to accept the officer's slate as presented by the Governance Committee and Becky seconded;

<p>4. The Credentialing & Privileging Report was presented. Initial appointments are: Claudia Fagilde, NP; Hoi Trinh, MD; Kristy Matschullat, PA; Colleen Chicoine, CNM.</p> <p>5. Financials from September 2024 were presented. Year-to-date (YTD) billable visits as of September are unfavorable to budget by 4,629 visits mainly related to 3,937 billable visits included in the FY25 budget pertaining to vacant positions not filled yet. Recruitment efforts are ongoing for additional providers to fill the vacant positions. Net Patient Service Revenues for September are unfavorable to budget by \$783,320 primarily due to lower billable visits. YTD financials include the revenue recognition of \$400,000 for July and August for increase in revenues related to intermittent clinic strategy. YTD financials reflect an estimated YTD PPS liability accrual of \$75,000.</p> <p>YTD financials include \$596,285 related to the settlement payment received from Department of Health Care Services for FY2020 recorded in July 2024.</p> <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of \$3,720,557. Also, YTD financials include Capitation Revenue for \$1,501,574 and 340B Pharmacy program revenue for \$922,660. Combined Grants Revenue includes revenues for ARPA, KP Health Connect, ECM, and HHIP Street Medicine grants for \$399,453.</p> <p>YTD Other Revenue includes revenues accrued for \$180,225 related to Purchased Services provided to SJGH by SJHC per the MOU. YTD Interest income for \$217,767 has been reflected on the financials, which is favorable compared to budget by \$102,642 mainly due to higher cash balance contained within the County Treasury.</p> <p>Total YTD Operating Revenue is unfavorable to budget by \$584,838 primarily due to lower billable visits in FY25.</p> <p>Salaries and Benefits expenses exhibit a favorable variance to budget by \$4,065,077 which is mainly related to vacant positions that have not filled yet along with the lower benefits expense. For purposes of annual budgeting, per SJ County direction, county employees purchased by SJHC were budgeted at 65% benefits cost to salaries. Year-to-date actual benefits cost as a percentage of salaries, as of September 2024 is 47%.</p> <p>Other operating expenses exhibit an unfavorable variance of \$713,576 largely due to an unfavorable variance for \$781,846 for Professional Fees, Purchased Services, Supplies, Dues, Repairs, Telephone, Travel, Rent and Miscellaneous expenses offset by a favorable variance of \$68,270 reflected in the Depreciation, Interest, Office, Advertising, and Utilities expense categories. An estimated accrual for the Purchased Services is recorded for July through September is based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures</p>	<p>8. COO Report – October 2024</p> <p>9. CEO Report – October 2024</p>	<p>Jodie voted no, Karen abstained, and the remaining 3 members voted yes; motion was passed</p> <p>Jodie motioned to appoint Karen as the Chair, but no one seconded and the motion died on the floor</p> <p>4. Samantha motioned to approve the Credentialing & Privileging Report and Kristin seconded; Brian abstained due to not reviewing, but the other members approved; motion was approved</p> <p>5. Samantha motioned to accept the September Finance Report and Jodie seconded; motion was approved unanimously</p> <p>6. Deferred to next month</p> <p>7. No action required</p> <p>8. No action required</p> <p>9. No action required</p>
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are favorable to budget by \$3,351,501.

Unaudited, as presented, Net Income of \$543,179 on year-to-date represents a favorable variance of \$2,766,664 as compared to budgeted Net Loss of \$2,223,485. YTD Net Income is favorable mainly due to the actual salaries and benefits expenses lower than budget and accrual of revenues related to estimated PPS reconciliation settlements for FY25.

Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 4.6% against a goal of >3%, Bottom Line Margin at 4.6% against a goal of >3%, Days Cash on Hand at 207 against a goal of >45 days, Days in Net Patient Receivables at 33 against a goal of <60 days, and Personnel-Related Expenses at 75% against a goal of <70%.

6. The updated Form 5A was not ready for presentation this month and review will be deferred to November 2024.
7. The CMO Report was presented by Dr. Jonathon Diulio. Three new nurse practitioners have started and an OB specialist NP will start in November. Several physicians are scheduled to start over the next year. Due to limited provider access, we have requested that HPSJ temporarily pause all new pediatric assignments to SJ Health. Gap clinics continue and we are engaged with SJGH and HPSJ on various collaborations.
8. The COO report was presented by Reuben Pettiford. Progress is being made on filling all vacant positions, although medical assistants continue to be difficult to hire, due to County wages. Change of hours for Call Center has taken place and we are working on various improvements alongside SJGH. Our business intelligence department is scheduled to complete work on our data warehouse by January 2025. Planning on new paint and flooring for exam rooms at our Stockton Clinic; cost is approximately \$120k, but we will discuss with SJGH regarding this, as they are the landlords. Chiropractic and dental services are now up and running.
9. The CEO Report was presented by Greg Diederich. Medical benefits and insurances were renewed for our 3 remaining 501c3 employees. The Binational health event was a success. The IT disaster recovery project is nearing completion. The PACE program planning is underway with the Housing Authority. Intermittent clinic plan officially approved by DHCS. With the hospital taking on space at the old VA clinic, we had expected to be able to add another hall for exam rooms, but there is reluctance on the part of SJGH. There are some concerns over SJGH not including SJ Health in their decision making, despite an impact to SJ Health. The Be Well Campus and Lodi Access Center projects continue to

move forward. We are pursuing a capital grant from HPSJ for diabetic retinopathy.		
10. Closed Session (Brian Heck) 1. Brian Heck gave an update on the interim CEO recruitment process. Nothing to report out on this.		No action required
11. Adjournment (Brian Heck) There being no further topics of discussion, Brian Heck adjourned the meeting at 7:35 p.m.	No attachments	No action required

***NOTE: Board Member joined remotely**