

## Minutes of April 29, 2025

### San Joaquin Health Centers Board of Directors

**Board Members Present:** Stacy Ferreira (Interim CEO); Becky Cook; Brian Heck (Board Chair); Samantha Monks (Treasurer); Jodie Moreno; James Myers

**Excused Absent:** Rick Ledo; Kristin Shinn

**Unexcused Absent:** None

**SJHC Staff:** Michael Allen (Board Clerk); Kim Cuellar; Jonathon Diulio; Mary-Lou Milabu; Cynthia Rios; Rachna Sharma; Jinpin Ying

**Guests:** Brandi Hopkins; Quendrith Macedo; Sandy Regalo

| AGENDA ITEM  | ATTACHMENTS   | ACTION   |
|--|---|--|
| <b>I. Commencement/Call to Order (Brian Heck)</b><br>1. The meeting was called to order at 5:31 p.m. A quorum was established for today's meeting.<br><br>2. SJ Health Board of Directors' Attendance Record was made available.   | 2025 Board Member Attendance  | No action required   |
| <b>II. Public Comment</b><br>No public comment.  | No attachment   | No action required   |
| <b>III. Consent Calendar (Brian Heck)</b><br>1. The consent calendar for April 29, 2025 was presented.   | SJ Health Board Minutes 2025-03-25; SJ Health Ad Hoc Minutes 2025-04-09   | 1. Samantha motioned to accept the consent calendar, and Jodie seconded; the motion was approved unanimously   |
| <b>IV. Regular Calendar (Brian Heck)</b><br>1. Kim presented the Credentialing & Privileging Report. Initial appointments are: Catherine Schroeder, NP; Jasmine Manocha, NP. Reappointments are: Donathon Diulio, MD; Mandana Motameni, CNM.<br><br>2. Year-to-date (YTD) billable visits as of March are unfavorable to budget by 27,484 visits mainly related to 28,349 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 March are unfavorable to budget by \$784,079 primarily due to lower billable visits. YTD financials reflect an estimated YTD PPS liability accrual of \$225,000.<br><br>YTD financials include \$596,285 related to the settlement payment received from Department of Health Care Services for FY2020 recorded in July 2024. In November, SJ Health Centers received the HEDIS incentive payment for \$1,212,593 for Year 2023 which has been reported on the FY25 balance sheet, and the related incentive revenue has been accrued in FY24. Also, additional patient service revenue has been accrued for \$29,989 in February 2025 based on the FY24 Medicare Cost Report submitted to CMS. | 1. Credentialing & Privileging Report – March 2025<br>2. CFO Presentation – 2025-03; Finance Narrative – 2025-03<br>3. SJHC BMO Accounts Authorized Personnel Update Memo<br>4. 4.29 Scope Chg Bd Memo; 5A Service details_EU_HRESA EHBs<br>5. CMO Report April 2025<br>6. Operations Report April 2025 | 1. James motioned to approve the Credentialing & Privileging list and Becky seconded; the motion was approved unanimously<br><br>2. Kristin motioned to accept the Finance Report and Jodie seconded; motion was approved unanimously<br><br>3. Jodie motioned to add Stacy & Rachna as authorized signers on the BMO accounts and James seconded; motion was approved unanimously<br><br>4. Samantha motioned to approve the Form 5A scope changes and Jodie seconded; motion was |

|  |  |   |
|--|--|---|
| <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of \$11,347,698. Also, YTD financials include Capitation Revenue for \$4,462,704 and 340B Pharmacy program revenue for \$2,125,665. Combined Grants Revenue includes revenues for Binational Health, ARPA, KP Health Connect, Bridge Access Program, Accelerating Readiness For An Aging Population, ECM, and HHIP Street Medicine grants for \$1,473,478. YTD financials include Hedis Gap Closure incentive revenues recognized for \$621,000 for August 2024 to March 2025 health care services.</p> <p>YTD Other Revenue includes revenues accrued for \$510,357 related to Purchased Services provided to SJGH by SJHC per the MOU. YTD Interest income for \$680,588 has been reflected on the financials, which is favorable compared to budget by \$335,213 mainly due to higher cash balance contained within the County Treasury.</p> <p>Total YTD Operating Revenue is unfavorable to budget by \$5,105,262 primarily due to lower billable visits in FY25.</p> <p>Salaries and Benefits expenses exhibit a favorable variance to budget by \$11,684,029 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 March 2025 is 48%.</p> <p>Other operating expenses exhibit an unfavorable variance of \$2,576,859 largely due to an unfavorable variance for \$2,771,461 for Professional Fees, Purchased Services, Supplies, Dues, Repairs, Telephone, Travel, Insurance, Rent and Miscellaneous expenses offset by a favorable variance of \$194,602 reflected in the Depreciation, Interest, Office, Advertising, and Utilities expense categories. An estimated accrual for the Purchased Services is recorded for July through March is based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by \$9,107,170.</p> <p>Unaudited, as presented, Net Income of \$3,586,013 on year-to-date represents a favorable variance of \$4,001,907 as compared to budgeted Net Loss of \$415,894. YTD Net Income is favorable mainly due to the actual salaries and benefits expenses lower than budget along with the recognition of higher than budgeted revenues recorded related to interest income, managed care incentives, and 340B pharmacy program.</p> <p>Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 9.3% against a goal of &gt;3%, Bottom Line Margin at 9.3% against a goal of &gt;3%, Days Cash on Hand at 195 against a goal of &gt;45 days, Days in Net Patient</p> | <p>7. Interim CEO Board Report April 2025</p> <p>8. No attachments</p> | <p>approved unanimously</p> <p>5. No action required</p> <p>6. No action required</p> <p>7. No action required</p> <p>8. No action required</p> |
|--|--|---|

|  |  |  |
|--|--|--|
| <p>Receivables at 34 against a goal of &lt;60 days, and Personnel-Related Expenses at 72% against a goal of &lt;70%.</p> <ol style="list-style-type: none"> <li>It was requested that Stacy Ferreira and Rachna Sharma be added as authorized signers on the BMO accounts. The board approved this request.</li> <li>An updated HRSA Form 5A was presented to the board for approval on the scope changes. The board approved the scope changes.</li> <li>Dr. Diulio gave his CMO report. Two new locums and 6 new providers are in the pipeline. Developing a plan to implement Follow-Up After Emergency Department Visit for Alcohol or Other Drug Abuse or Dependence (FUA). Following the Coumadin Clinic closure, we have absorbed these patients into regular SJ Health clinics. Collaborating to allow SJGH to act as a draw station for Quest labs. Women's health gap clinics continue. Street medicine is adding 2 virtual providers and working to improve referral process.</li> <li>Cynthia presented the Operations Report. We are in the process of hiring a nurse, which will give us 1 nurse in each of our clinics. Hoping to fill 10 more full-time MA positions and some other clinical support staff. Staff development and core competencies evaluations are underway. QI team has seen an 87.9% improvement in 2<sup>nd</sup> BP readings for patients with elevated initial reading. We have also deployed a policy addressing delineation of clinical duties for RN, LVN, MA, and Front Office roles.</li> </ol> <p>Jodie requested that staff morale status be added to the Operations Report and it was agreed that this would be included, going forward.</p> <ol style="list-style-type: none"> <li>Stacy presented her CEO Report. Strategic planning sessions continue, with focus on Service Excellence, Improving Access, and Workforce Development. Staffing budget request for 2025-26 have been submitted and FY 2025-26 department budget is in process. Some concerns have arisen on the Lodi Access Center, but meetings have been scheduled to discuss. Several contracts have been signed, including expanding 340B pharmacy services, social worker placement (University Massachusetts Global), extension of UOP student placements, and an updated amendment to the HPSJ incentive gift card program.</li> <li>The only item on Brian's Board Chair Report was a notice that the closed session item #2 would be moved to the beginning of closed session.</li> </ol> |  |  |
|--|--|--|



|   |   |                    |
|---|---|--------------------|
| <b>V. <u>Closed Session (Brian Heck)</u></b><br>1. The Board discussed the process for selecting a permanent Project Director and two board members were identified to serve on the Selection Committee.<br><br>2. Evaluation of the Chief Executive Officer was discussed. | SJCC Request Selection Committee 04-16-2025 | No action required |
| <b>VI. <u>Adjournment (Brian Heck)</u></b><br>There being no further topics of discussion, Brian Heck adjourned the meeting at 7:50 p.m.  | No attachments                              | No action required |

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

**Board Sign-Off:** \_\_\_\_\_ **Date:** \_\_\_\_\_

