

SAN JOAQUIN COUNTY CLINICS PUBLIC BENEFIT CORPORATION BOARD MEETING AGENDA
10100 Trinity Parkway, Suite 100, Stockton, CA 95219
October 28, 2025, 5:30 P.M.

Board Members: Nora Hana, Brian Heck, Jayvin Herrejon, Cassandra Lacondeguy, Rick Ledo, Samantha Monks, Jodie Moreno, James Myers, Mark Myles, David Ziolkowski

Watch The Meeting Live via Microsoft Teams: [Join the meeting now](#) *

*Note: Livestreaming for the public is listening and monitory only. Remote presenters will only be granted access during their presentation time to the Board. *Full link available by accessing the agenda at www.sjhealth.org*

Persons who require disability-related accommodation to participate in this meeting, please contact San Joaquin Health Centers at (209) 953-3711 prior to the scheduled meeting time.

1. COMMENCEMENT OF MEETING/ROLL CALL

2. PUBLIC COMMENT

The public is welcome to address the Board during this time on matters within the Board's jurisdiction. Members of the public are encouraged to complete a Public Comment form, which can be found near the entry of the Board Room. Speakers are limited to three minutes and are expected to be civil and courteous. Public comment on items listed on the agenda may be heard at this time, or when the item is called at the discretion of the Chair.

Except as otherwise permitted by the Ralph M. Brown Act (California Government Code Section 54950 et seq.), no deliberation, discussion or action may be taken by the Board on items not listed on the agenda. Members of the Board may but are not required to: (1) briefly respond to statements made or questions posed by persons addressing the Board; (2) ask a brief question for clarification; or (3) refer the matter to staff for further information.

3. CONSENT CALENDAR

- 3.1 Ratify Vote on Updated Co-Applicant Agreement (originally presented 4/9/25)
- 3.2 Ratify Vote to Add Stacy & Rachna as Authorized Signers on BMO Accounts (originally presented 4/29/25)
- 3.3 Ratify Vote to Accept Scope Changes to Form 5A (originally presented 4/29/25)
- 3.4 Ratify Vote to Accept the Updated Quality Improvement and Peer Review Policies (originally presented 5/27/25)
- 3.5 Ratify Vote to Appoint Matt Garber as Interim CEO/Project Director (originally presented 7/8/25)
- 3.6 Ratify Vote to Accept Changes to BMO Accounts (Removal of Stacy Ferreira and Adding Genevieve Valentine & Isaiah Lilly; originally presented 7/8/25)
- 3.7 Accept Corrected September Credentialing & Privileging Report (originally

presented 9/30/25)

3.8 Accept Minutes of Board Meeting September 30, 2025

4. **ACTION ITEMS**

4.1 Credentialing & Privileging – October

Board to consider and take possible action

4.2 Finance Reports – August & September

Board to consider and take possible action

4.3 Retroactively Grant Authority to Submit Annual HRSA Certification

Board to consider and take possible action

4.4 Appoint Board Chair for 2025-26 Term

Board to consider and take possible action

4.5 Appoint Board Vice-Chair for 2025-26 Term

Board to consider and take possible action

4.6 Appoint Board Treasurer for 2025-26 Term

Board to consider and take possible action

5. **DISCUSSION ITEMS**

5.1 Committee Assignments

5.2 Recognitions from CMO

5.3 Annual CEO Report

6. **BOARD COMMENTS**

6.1 Comments from Board

8. **CALENDAR**

8.1 Board meeting November 18, 2025, at 5:30pm

9. **ADJOURNMENT**



SJCC BOARD OF DIRECTORS ATTENDANCE RECORD 2025

2025 Full Board Meeting Dates

Member Name	Patient? Yes / No	Joined Board	1/28/25	2/25/25	3/25/25	4/29/25	5/27/25	6/6/25	7/8/25	8/26/25	9/30/25	10/28/25	11/18/25	12/16/25
Cook, Becky	No	2024	AE	P	P	P								
Fuentes, Monica	Yes	2021	P	AE	P									
Hana, Nora	No	2025									P			
Heck, Brian	Yes	2019	P	AE	P	P	P	P	P	P	P			
Herrejon, Jayvin	No	2025									P			
Lacondeguy, Cassandra	No	2025								P	P			
Ledo, Rick	Yes	2024	P	P	P	AE	P	P	P	P	P			
Monks, Samantha	No	2022	P	P	P	P	P	P	P	P	P			
Moreno, Jodie	No	2022	P	P	AE	P	P	AE	AE	P	P			
Myers, James	No	2023	P	P	P	P	AE	P	P	P	P			
Myles, Mark	No	2025								P	P			
Shinn, Kristin	Yes	2022	P	P	P	AE	P							
Ziolkowski, David	No	2025								PV	P			

CODE P = Present; PV = Present (Virtual)

Code AE = Absence Excused

CODE AU = Absence Unexcused

April 9, 2025

Revised Presentation of and Approval of Proposed Updated Co-Applicant Agreement Between the County of San Joaquin and San Joaquin County Clinics (SJCC), a 501(c)(3) Corporation

It is recommended the SJCC Board of Directors:

1. Receive the presentation from County Staff.
2. Approve the proposed, updated Co-Applicant Agreement between the County of San Joaquin and San Joaquin County Clinics (SJCC), a 501(c)(3) Corporation.

Reason for Recommendation

San Joaquin Health Centers (SJ Health) provides health care services to county residents through comprehensive health center sites in Stockton, French Camp, and Manteca as well as a mobile outreach delivery system. In 2014, the County of San Joaquin's community clinics were formally designated by the U.S. Health Resources and Service Administration (HRSA) as a Federally Qualified Health Center Look-Alike (FQHC-LAL). San Joaquin Clinics (SJCC) Board of Directors is a tax exempt, public benefit California corporation that jointly operates SJ Health with the County. The Co-Applicant Agreement governs the relationship and responsibilities of each party.

As outlined by HRSA, the County of San Joaquin's responsibilities include:

- Operates the comprehensive primary and preventative health care and related services to the medically underserved communities in San Joaquin County, including the clinics that are eligible for license-exempt status under California State law.
- Operates the Health Center Program project.
- Demonstrates that the County maintains a Project Director/Chief Executive Officer (CEO) who will carry out independent, day-to-day oversight of health center activities solely on behalf of the governing board.
- Retains authority over general personnel, financial management and accounting and policy setting functions of SJCC.

As outlined by HRSA, the SJCC Board of Director's responsibilities include:

- Approval of the selection and dismissal of the Health Center's Project Director/CEO.
- Selection of Health Center's services, including scope and availability of services, location, hours of service, and quality of audit procedures.
- Approval of the Health Center's budget; subject to final approval from the Board of Supervisors.

SJCC Board Letter submitted by the San Joaquin County Administrator's Office for April 9, 2025 SJCC Special Board Meeting

- Evaluating Health Center activities including service utilization patterns, productivity, patient satisfaction, and processes for resolving patient grievances.

In August 2023, the County received a vote of no confidence regarding SJ Health's leadership from multiple SJ Health and San Joaquin General Hospital (SJGH) clinicians. Due to the serious nature of the allegations, the County hired Sloan, Sakai, Yeung & Wong, LLC to investigate. The investigation led to operational findings regarding the lack of alignment and integration of the County's health delivery system requiring modifications to the Co-Applicant Agreement, ensuring HRSA compliance and role clarity between the parties. These operational findings were presented to the Board of Supervisors on August 13, 2024.

The proposed amended Co-Applicant Agreement does not remove any of the SJCC Board's authority provided by HRSA. The proposed amendments clarify the County's authority and role as outlined in HRSA's Compliance Manual.

In accordance with the direction of the Board of Supervisors, the County Administrator's Office:

- Worked with SJGH, SJCC, in conjunction with the Director of Health Care Services informally through the Liaison Committee.
- Created a more accessible, high-quality, clinically integrated, coordinated and lower cost care for the County of San Joaquin.
- Enhanced the overall health of those communities through population and community health management.
- Drafted Amendments to the Co-Applicant Agreement, and Management Service Agreement (MSA) to confirm San Joaquin County's ultimate control over the County health system.

On March 25, 2025, the County presented the proposed amendments to the SJCC Board. The SJCC Board accepted a *"Motion to table the vote to accept the Co-Applicant Agreement at this time and schedule a special board meeting on 4/9/2025 to address concerns and answer further questions"*. This was motioned by Vicechair Shinn and seconded by Director Myers. Assistant County Administrator, Brandi Hopkins offered to meet with each SJCC Board member and SJ Health key staff to review the amendments and answer any individual questions. Ms. Hopkins met with several members and three key staff; two members declined. Based on the interactions, it was clear confusion regarding HRSA compliance and the respective roles of the County and SJCC Board still existed. On April 2, 2025, Ms. Hopkins provided correspondence titled, *Educational Information Regarding SJCC/SJC Governing Documents* to the full Board. Based upon the feedback received, the County has revised the proposed amendments, removing the section placing the oversight of quality under SJGH's Chief Medical Officer. The County SJCC Board Letter submitted by the San Joaquin County Administrator's Office for April 9, 2025 SJCC Special Board Meeting

continues to expect that all County health care departments, including SJ Health, will continue to collaborate and maintain accessible, high-quality, clinically integrated, coordinated, and lower cost health care to the underserved in our community.

On March 24, 2025, the Interim Project Director provided the full SJCC Board with a document titled "Commentary CEO." The County was unaware of this document during the March 25, 2025, presentation. Once becoming aware of this document, the County learned the Interim Project Director/CEO provided inaccurate information to the SJCC Board which likely influenced the Board members' reaction and responsiveness to the County's presentation. The Interim Project Director/CEO formally retracted these statements on April 7, 2025. The County requests the SJCC Board disregard this information when considering approval of the proposed amendments.

The County has acted within its authority to amend the Co-Applicant Agreement consistent with the direction of the Board of Supervisors. In order to effectuate the direction of the Board of Supervisors, the County Administrator's Office recommends the SJCC Board of Directors approve and execute the amended Co-Applicant Agreement.

Attachments:

Current Co-Applicant Agreement and Amendment(s)

Draft Proposed Updated Co-Applicant Agreement

December 17, 2020, Board of Supervisors Board Letter, "Approval of the Creation of a New County Affiliate with San Joaquin County Clinics, a 501(c)(3) Corporation; Authorization of Updated Co-Applicant Agreement

April 2, 2025, Memorandum from Assistant County Administrator, Brandi Hopkins, titled, "Educational Information Regarding SJCC/SJC Governing Documents"



Memorandum

TO: SJ Health Centers Board

FROM: Rachna Sharma, Controller

RE: BMO Bank Accounts - Authorized Personnel Update

DATE: April 29, 2025

Due to a change in leadership in the last few years, there is a need to update the staff as authorized signers on the BMO bank accounts for SJ Health Centers. BMO banks records still have Dr. Farhan Fadool, CEO and Kristopher Zuniga, CFO as authorized signers on the SJ Health Centers' bank accounts. Both Dr. Fadool and Kristopher are no longer working for SJ Health Centers. To maintain internal controls and be able to manage cash and run SJ Health Centers' operations successfully, we need to update the authorized signers on the BMO bank accounts. We hereby request the board to approve the following changes be made to SJ Health Centers' BMO bank accounts and update banks records.

Add:

1. Stacy Ferreira, Interim CEO
2. Rachna Sharma, Controller

Remove:

1. Kristopher D. Zuniga, CFO
2. Dr. Farhan Fadool, CEO

Please let me know if you have any questions.

Sincerely,

Rachna Sharma, CPA, MBA

Controller

SJ Health Centers Finance

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Stockton, CA 95219

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Board Meeting: 04/29/2025

To: SJ Health Board of Directors

From: Stacy Ferreira, Interim CEO

Re: Scope Change Approval

In auditing the Form 5A Scope of Services offered by the health center it came to my attention that the following items need to be added or changed to accurately reflect the current scope offered today at the health center.

Required Services

- Diagnostic Radiology – Remove Column I. Direct indication, leaving only Column III. Formal Written Referral Arrangement as today's services done through external referral arrangements
- Screenings – Add Column III. Formal Written Referral Arrangement to cover Exact Sciences (Cologuard) use
- Coverage for Emergencies During and After Hours - Add to Column II Formal Written Contract/Agreement
- Voluntary Family Planning - Add to Column II Formal Written Contract/Agreement to support the current MOU with SJGH and/or locum services
- Immunizations - Add to Column II Formal Written Contract/Agreement to support the current MOU with SJGH and/or locum services
- Well Child Services - Add to Column II Formal Written Contract/Agreement to support the current MOU with SJGH and/or locum services
- Gynecological Care - Add to Column II Formal Written Contract/Agreement to support the current MOU with SJGH and/or locum services
- Obstetrical Care: Prenatal Care/Intrapartum Care/Postpartum Care - Add to Column II Formal Written Contract/Agreement to support the current MOU with SJGH and/or locum services
- Transportation - Add Column III. Formal Written Referral Arrangement to cover transportation services offered through Health Plan referrals

Additional Services

- Substance Use Disorder Services – Reclassify services from Column I to column II as this services it provided through County Mental Health not directly

Specialty Services

- Complementary & Alternative Medicine – Add Chiropractic to Column II Formal Written Contract/Agreement to support the offering of Chiropractic services currently in effect

I have attached the form 5A marked up to show the suggested changes to the scope. I am requesting the board authorize the suggested changes to be requested/updated with HRSA within the scope of the LALCA00158 project.

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Title of Policy/Procedure QUALITY IMPROVEMENT/QUALITY ASSURANCE POLICY & PROCEDURE			

PURPOSE:

The purpose of the Quality Improvement/Quality Assurance (QI/QA) Policy is to provide a planned, systematic, organization-wide approach to designing, measuring, assessing, and improving organizational performance at the San Joaquin Health Centers (SJ Health). Quality is defined as doing the right things to meet or exceed patient expectations and is also defined by the ability of the organization to deliver sound clinical care. The QI/QA Policy is operationalized through performance improvement activities which are defined as ongoing process improvement. The performance improvement activities shall be a coordinated, comprehensive, and ongoing effort to assess the effectiveness of the care, treatment, and services provided. The goals and objectives shall be to strive, within all available resources, for optimal outcomes with continuous, incremental improvements which are consistently representative of a high standard of cost-effective practice in the community, minimizing risk to both the patient and the facility.

POLICY:

I. SCOPE: The QI/QA Policy applies to all SJ Health sites, employees, contracted employees, and volunteers. The intent of the policy is extended to providers of contracted services, and those organizations/individuals may be included in the SJ Health performance improvement initiatives as applicable. This policy is designed to ensure SJ Health maintains a robust, data-driven, and organization-wide approach to assessing and improving quality and access to care across all services in scope.

II. FUNDAMENTALS:

1. Facilitate institution-wide performance improvement activities.
2. A Quality Improvement Committee (QIC) that meets a minimum of six times per year.
3. A Quality Improvement Sub-Committee of the Board of Directors that meets quarterly or as determined by the Board.
4. Indicator development, implementation, and measurement of activities.
5. Setting and re-setting of performance improvement activities.
6. Identification of high volume, high risk, problem-prone, and high-cost issues.
7. Collection of clinical services and clinical management data with use of analysis to transform the data into information for the use of improvement activities and reducing risk.
8. Promoting a data-driven process to be used in decision-making.
9. Identification of the need for and provision of education related to quality and performance improvement.
10. Assisting the organization in providing evidence of compliance with quality and safety rules, regulations, and standards.

III. OBJECTIVES: The primary goal of the SJ Health QA/QI Policy is, through performance improvement activities, to implement the ongoing monitoring and assessing of approved improvements of key functions and processes relative to patient care, treatment, and services. The objectives for meeting this goal are:

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1. Evaluate existing communication channels to stay abreast of current and proposed rules, regulations, and standards related to accreditation, national, and state quality initiatives.
2. Effectively communicate accreditation, national, and state quality rules, regulations and standards updates to providers and staff.
3. Whenever feasible, implement and maintain comprehensive and electronic systems to concurrently and retrospectively abstract the data reporting mandated by accreditation/national/state agencies, communicate to the organization analysis of said data, and upload data per established schedules to relevant authorities per the quality initiative participation guidelines.
4. In collaboration with identified leaders, create comprehensive reports for key institutional patient-related functions depicting the aggregate measurement, analysis, and improvements within that function.
5. In collaboration with identified leaders, create indicator improvement plans, audit tools, and aggregate reports on specific processes that focus on high risk, high volume, problem prone, and high-cost patient issues.
6. Establish a process for effective communication of performance improvement reporting up and down the organization's hierarchy.
7. Provide comparative data, best practices, and community standards whenever feasible.
8. Create and maintain a retrievable documentation history of performance improvement activities designed to meet evidence of compliance requirements of national/state agencies/local health plans.
9. Annually, for the Board of Director's review, evaluate the previous 12 months of performance improvement activities and present an annual report to include quality priorities for the next year.

IV: ORGANIZATION AND RESPONSIBILITY: The responsibilities in relation to the SJ Health Quality Program of the SJ Health Board of Directors, executive administration, committees, providers, and staff are outlined as follows:

A. SJ Health Board of Directors: The SJ Health Board of Directors is ultimately responsible for ensuring that SJ Health maintains an effective Quality Program, including annual approval of the QI/QA Policy. Additionally, the SJ Health Board of Directors receives information regarding performance measurement, analysis and improvement from its Quality Subcommittee, which it authorizes to meet independently and delegates decision-making, motion and policy changes to this committee. The Quality Subcommittee will report quarterly to the SJ Health Board of Directors.

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B. SJ Health CEO: The Board of Directors delegate to the CEO the authority to oversee implementation of the QI/QA Policy including, but not limited to, the following dimensions:

1. Accountability for the adequate resources to support an ongoing Quality Program.
2. Authority to provide direction in setting quality priorities based upon SJ Health mission, values, and philosophy.
3. Review and revision authority of all quality reports prior to submission for provider and organizational review and approval.
4. Authority to direct the prioritization of performance improvement activities to adjust to changing needs of the organization in response to unusual/urgent events.
5. Establish, in collaboration with the QIC, an organizational culture which supports commitment to quality and performance improvement.
6. Review and approve annual quality priorities.

C. SJ Health Director of Quality & Medical Director of Quality:

- The Director of Quality: The CEO delegates the day-to-day responsibility and accountability for the design, implementation, evaluation, and daily operations of the Quality Program to the Director of Quality and to the Medical Director, who provide leadership, coaching, and consultation to the organization with respect to the philosophy, principles, and techniques in relation to clinical quality. The Director of Quality is responsible for the planning, assessing, implementation, evaluation, and education of SJ Health providers and staff on quality improvement initiatives.
- Medical Director of Quality: The role of the Medical Director is integral as the Medical Staff liaison and an administrative peer in the provision of quality patient care, treatment, and services as well as implementation of evidence-based medicine. The duties of the Director of Quality & Medical Director include, but are not limited to:
 1. Co-chairing the QIC.
 2. Evaluating the effectiveness of the Quality Program annually and making recommendations to the CEO for annual quality goal(s) and objective(s).
 3. Periodically reviewing and as needed, modifying for CEO and Board of Directors' approval, the QI/QA Policy, to be carried out on an annual basis.
 4. Developing an Annual QI/QA Work Plan for the current reporting year, outlining clinical services and clinical management metrics, revising throughout the year based on changes in quality initiatives.
 5. Report on a quarterly basis to the Board of Directors any substantive findings related to identified organizational quality and patient safety of care activities and improvements.
 6. Provide oversight, direction, and support to leaders of approved performance improvement teams, task forces and projects.
 7. Per a quality reporting schedule, receive aggregate reports related to quality and collate reports into comprehensive, informative communication packets for stakeholder review and approval

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8. Determine budget implications of the organization's Quality Program and performance improvement activities and make recommendations to the CEO and CFO for allocation of resources to support approved activities. Maintain a knowledge of current and projected requirements and make recommendations to the CEO on future implications for resource allocations relative to the QI/QA Policy.
9. Ensure that the important internal functions, processes, and activities related to safe quality patient care, treatment and services are continuously and systematically measured, assessed, and improved within available resources.
10. Determine the educational and training needs of the organization related to quality and performance improvement and make recommendations to the CEO on activities to meet those needs.
11. Work cohesively with the remaining executive leadership and SJ Health Providers to implement a comprehensive QI/QA Policy.

D. Providers: The Providers (Licensed Independent Practitioners) are responsible for the provision of safe, appropriate, high-quality care through the sound execution of evidenced-based clinical standards and guidelines, approved clinical processes and services, identification of important opportunities for performance improvement, and the ongoing provision of patient care, treatment, and services. The Providers (through representation on the QIC) further provide, through peer chart reviews, an effective mechanism to monitor the clinical performance of all individuals with delineated clinical privileges.

E. SJ Health Clinic Managers: Managers are responsible for the practice of and the participation in ongoing performance improvement activities. They are further expected to provide leadership and accountability in developing, measuring, analyzing, and reporting of performance improvement functions and indicators respective to their areas of responsibility. These Clinic Managers are responsible for ensuring their staff has a working knowledge of the organization's QI/QA Policy and implementing the performance improvement activities by which the program is operationalized.

F. SJ Health Staff: Staff (including both clinical and non-clinical staff providing services on behalf of the health center, such as Medical Assistants, Front Desk Staff, etc.) are expected to participate in performance improvement activities through developing an understanding of key processes in their respective departments, making recommendations for the design and improvement of processes, assisting with data collection and implementation as assigned, and serving as members of performance improvement teams at the direction of their Clinic Manager.

G. The Quality Improvement Committee (QIC): The QIC is a formal, multidisciplinary committee comprising SJ Health executive leadership, providers, quality staff, health informatics and business intelligence staff, operational managers, and front-line staff. The QIC has the responsibility for operationalizing the QI/QA Policy. The planning and decision-making activities of this committee are based on organizational mission, philosophy and values. The QIC has general responsibility for organization-wide design and implementation of the QI/QA Policy. The QIC functions as a clearinghouse for all performance improvement activities and as a review and feedback body for all quality reporting. Additionally, the QIC makes recommendations on the initiation, prioritization, progress, and/or cessation of performance measurement and improvement activities. The functions of the QIC include:

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1. Develop and update organizational-wide policies and procedures.
2. Completion of quarterly QI/QA assessments, including Peer Review for all services in scope.
3. Establish the organizational Performance Improvement Model.
4. Determine and prioritize annual initiatives.
5. Review and prioritize recommendations for improvement.
6. Participate in development and review of the (QI/QA) Policy and Annual QI/QA Work Plan
7. Monitor and evaluate clinical processes and patient outcomes.
8. Evaluate clinical indicators for monitoring and evaluation.
9. Assist with design of data collection and data analysis tools.
10. Review results of monitoring activities develop action plans, and report findings.
11. Refer identified provider performance issues to the Chief Medical Officer, as appropriate.
12. Make recommendations to SJ Health Executive Leadership for the development and/or revision of policies and procedures.
13. Review of relevant data driven analysis of compliance with and progress on various quality initiatives, such as UDS, NCQA HEDIS, NCQA PCMH, Meaningful Use, and others as requested by the SJCC Board of Directors, the Quality Subcommittee, and the SJ Health Executive Team.

The QIC membership is comprised of the following key members:

- Chairperson: SJ Health Chief Medical Officer
- SJ Health Associate Medical Directors or provider designees from each SJ HEALTH site
- SJ Health Administrators, Clinic Managers, Patient Access Managers, and key middle management staff
- Designated front line staff (medical assistants, registration clerks)
- Health Informatics staff
- Business Intelligence staff
- Quality Department staff

The QIC will meet a minimum of six times per year. Meeting minutes shall be recorded and maintained in an electronic folder in the SJ Health QA/QI Microsoft Windows Drive. Physical copies of the minutes shall be maintained in a binder located at the SJ Health administrative offices.

I. Credentialing Committee: The Provider Peer Review process is overseen by the Credentialing Committee (CC), which is a subset of the Credentialing & Privileging Department. In partnership with the Quality Department, the Credentialing Committee is responsible for monitoring and evaluating the clinical practice of all Providers across all SJ Health sites. Through its efforts, the committee works to ensure clinical practice is consistent with the standards and guidelines of this organization, as well as applicable laws, mandates, healthcare industry standards, and professional practice guidelines. The integration and coordination of provider performance improvement activities is informed by the data acquired through this process. The CC utilizes quality and peer review data to inform decisions regarding the initial credentialing, ongoing privileging, and reappointment of Licensed Independent Practitioners, as stipulated in HRSA's Compliance Manual, Chapter 17.

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A rotating schedule will ensure that each SJ Health provider's charts are audited for compliance with standards set by the QIC a minimum of quarterly. The SJ Health Associate Medical Directors will be responsible for sharing results of the specialty-specific (i.e., OB/GYN, pediatric, behavioral health, dental, as applicable) chart reviews with their respective SJ Health provider staffs. Aggregate peer review results are presented to the QIC and the SJ Health Board of Directors on a quarterly basis and considered in the reappointment process.

J. Performance Improvement Teams: The QIC will charter small teams dedicated to undertaking specific performance improvement projects in pursuit of processes or outcomes that have been identified as high priorities for improvement. These teams use the organization's model for improvement to guide their activities. QIC co-chairs will assign a Performance Improvement Team when an investigation, analysis, and improvement is required as a result of an unusual event and/or a high priority process issue is identified. These teams will document the teams' goal, objectives, and corrective actions on a designated template and submit them to the QIC for review.

V. PROCEDURE: All performance improvement activities carried out within the organization are to be performed as described in this policy, and as appropriate, will be performed in an interdisciplinary approach utilizing the elements of design, measurement, assessment, and improvement as described below:

A. Design: Whenever the organization or a specific clinic site within the organization is seeking to improve an existing process or developing a new process or system, the identification of such processes or systems will be based upon:

- The organization's mission, philosophy and values,
- The organization's participation in various strategic projects or QI initiatives,
- The needs and expectations of patients, staff, and other customers,
- Up-to-date information about processes, including practice guidelines and practice parameters, and
- Analysis of data regarding the performance of processes and outcomes in the organization and available comparative data.

B. Measurement: The organization has a systematic process in place to collect necessary data, enhanced where possible using automated systems and information reporting tools such as electronic health records, enterprise practice management systems, population health management tools, etc.

1. Processes that are prioritized to be monitored on a continuing basis will include those that either affect a large percentage of patients (high volume), those processes that have been or are likely to be problem prone, and/or are funder-specific projects, as indicated.
2. In accordance with this QI/QA Policy, the organization will also monitor the performance of processes related to functions deemed to be key to overall delivery of patient care, treatment and services. These include but are not limited to:

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- Patient Satisfaction Results
 - Provider indicators (complications, performance)
 - Provision of care, treatment and services
 - Department-specific indicators (such as, OB/GYN, pediatrics, finance, registration, etc.)
3. Data collection will be predicated upon a stated indicator and criteria that provides for timely, unbiased, accurate data of compliance or non-compliance with stated indicator. Frequency of collection, analysis responsibilities, reporting channels, denominators, numerators, targets, and reasonable thresholds will be established prior to data collection.
 4. Such data will be used to identify and assess new processes, measure the level of quality and stability of important existing processes, and determine whether process changes made have resulted in significant improved performance and/or outcomes.
- C. Assessment: The assessment and interpretation of the collected data is intended to provide the organization with information regarding performance along many dimensions and over time.
1. The assessment phase for any specific process may include any or all the following elements:
 - Statistical techniques;
 - Review of internal data related to SJ Health's process and outcome metrics over time;
 - Review of external data related to SJ Health's outcome metrics over time (i.e., payor data);
 - The use of information from resources about the design and performance of processes;
 - The use of practical guidelines and practice parameters;
 - The use of performance and outcome indicators from other organizations, including the use, of comparative reference databases when available or applicable; and
 - Peer review.
 2. Intensive assessment will be initiated:
 - By important single events and by levels, trends, or patterns that adversely or undesirably vary from those expected;
 - When the organization's performance undesirably varies from that of other comparable organizations or from recognized standards; and
 - When a new project or improvement initiative specifies indicators.
 3. When performance assessment is initiated, the assessment includes:
 - Detailed analysis of patterns and trends collected;
 - Clear delineation of identified problems or opportunities to improve access to care delivery and/or services;
 - Review by peers when analysis of the care provided by an individual practitioner is undertaken; and

- A record containing conclusions, recommendations and actions of the quality analysis and improvement.
4. When the findings of the assessment process are relevant to an individual's performance:
- The Credentialing Committee is responsible for referring to the CMO recommendations for the use of information through the peer review process of Licensed Independent Practitioners.
 - The Director of Nursing, Clinic Managers, and other designated managers are responsible for determining the use of the information in relationship to the competence appraisal of individuals who are not Licensed Independent Practitioners.

D. Improvement

1. Elements of the organizational performance improvement may include:
 - Improving existing processes;
 - Designing new processes; and
 - Reducing variation or elimination of undesirable variation in processes or outcomes.
2. Model for Improvement: The base template for SJ Health's approach to continuous quality improvement is the Institute for Healthcare Improvement's "Model for Improvement," which is the basis of the Plan-Do-Study-Act (PDSA) cycles commonly used by quality departments. The Model for Improvement puts forth the following three fundamental questions, of which PDSA cycles seek to answer:
 - What are we trying to accomplish?
 - How will we know that a change is an improvement?
 - What change can we make that will result in improvement?
3. PDSA Cycles: The Plan-Do-Study-Act cycles are effective and flexible tools that can be used to guide tests of change rapidly, to determine whether a change is truly an improvement in a real work setting. Quality improvement efforts are further supported by PDSA cycles due to its continuous and iterative framework.

SJ Health employs PDSA cycles to support structured attempts at improvement, without greatly interrupting current workflow and processes that can derail day to day operations. The following PDSA cycle definition is adapted from the Institute of Healthcare Improvement (IHI):

- **Plan** – Plan the test or observation, including a plan for collecting data.
 - State the objective of the test and make a prediction about the expected result of the test.
 - Develop a plan to test the change – define who, what, when, and where.
 - Identify the data that needs to be collected to uphold the plan.
- **Do** – Run the test on a small, manageable scale.
 - Carry out the test.
 - Document problems and unexpected observations.
 - Collect and begin to analyze acquired data.

- **Study** – Designate time to analyze the data, study the results, and compare to them to initial predictions.
 - Engage team to analyze data collected.
 - Compare data acquired to initial predictions.
 - Summarize data and reflect on what was learned.
 - **Act** – Develop next steps based on what was learned from the test. Refine tested change as necessary.
 - Determine what modifications should be made considering results.
 - Determine next steps: adapt, adopt, or abandon proposed change.
 - Prepare a plan for the next PDSA cycle.
4. In prioritizing processes for improvement activities, the organization will consider the following factors (not necessarily in this order):
 - Impact of this process on the mission and philosophy of SJ Health;
 - Impact on strategic aims and the extent to which quadruple aim objectives can be achieved;
 - Ability to impact system-wide changes;
 - The availability and accessibility of data and other pertinent information;
 - Effect on needs and expectations of patients and families
 - Impact on regulatory and licensing requirements;
 - Ease with which the problem can be solved;
 - Resources available to make improvements;
 - Estimated cost savings; and
 - Volume of patients affected or frequency with which problem occurs.
 5. In developing new or improving existing processes, the organization should follow the principles of design as described in this policy.
 6. All process designs should involve the QIC in collaboration with those individuals, professionals, and/or departments that are closely involved with the process or system being improved.
 7. When action is taken to improve a process, through successive PDSA cycles, for example, the following elements should occur:
 - The action taken may be tested on a trial basis;
 - If the initial action taken is not effective, a new action plan is created and tested;
 - The action's effectiveness is assessed; and
 - Successful actions are implemented organization-wide, as applicable.

E. Communication of results: Once the performance improvement results have been evaluated and approved by the QIC, the results will be shared with others in the organization, as applicable, through:

1. SJ Health Board Quality Committee;
2. SJ Health Board of Director's Meeting Minutes, as applicable;
3. SJ Health Departmental, Quality Improvement Team and staff meetings; and

4. Internal communications, as appropriate.

F. Confidentiality of information: Appropriate safeguards have been established to restrict access to highly sensitive and confidential performance improvement information which is protected against disclosure and discoverability through the California Evidence Codes 1156 and 1157.

G. ANNUAL QI/QA PROGRAM EVALUATION: The Quality Improvement Committee shall develop an evaluation of the overall organizational Quality Program to be carried out on an annual basis. The evaluation should contain information regarding opportunities to improve care identified through the quality improvement process and the effectiveness of actions taken. The evaluation should address the success or lack thereof with the quality priorities established for the years under evaluation as well as establish, for approval, the quality priorities for the next cycle. The evaluation will be reviewed and approved by SJ Health Executive Leadership followed by final approval by the SJ Health Board of Directors.

Approval:		Date:
✓ Board Approval Needed? Board Chair Signature:		Date:

Minutes of Ad Hoc Meeting July 8, 2025 San Joaquin Health Centers Board of Directors

Board Members Present: Brian Heck (Board Chair); Rick Ledo; Samantha Monks (Treasurer); James Myers

Excused Absent: Jodie Moreno

Unexcused Absent: None

SJHC Staff: Michael Allen (Board Clerk)

Guests: Matt Garber; Brandi Hopkins; Quendrith Macedo; Sandy Regalo; Genevieve Valentine

AGENDA ITEM	ATTACHMENTS	ACTION
I. Commencement/Call to Order (Brian Heck) 1. The meeting was called to order at 5:33 p.m. A quorum was established for today's meeting.	No attachment	No action required
II. Public Comment No public comment.	No attachment	No action required
III. Closed Session (Brian Heck) Brian called for closed session for discussion of public employee appointment regarding the CEO/Project Director of SJ Health. 1. The Board selected Matt Garber, Assistant Director of Health Care Services as the Interim CEO/Project Director, pending selection of a permanent candidate. 2. The Board authorized the removal of Stacy Ferreira from the outside bank accounts and the adding of Genevieve Valentine, Director of Health Care Services and Isaiah Lilly, Deputy Director of Health Care Services (Fiscal) to the account. Rachna will remain on the account.	No attachment	1. Rick motioned to appoint Matt Garber as Interim CEO/Project Director and Samantha seconded; motion was approved unanimously by a vote of 4-0 2. James motioned to accept the changes to the bank accounts and Rick seconded; motion was approved unanimously by a vote of 4-0
IV. Adjournment (Brian Heck) There being no further topics of discussion, Brian Heck adjourned the meeting at 6:15 p.m.	No attachments	No action required

**RESIGNATIONS
September 2025**

Name	Reason for Resignation:	Effective Date of Resignation
Patricia Manuse LCSW	Medical issues	9/16/2025
Jasmine Manocha NP	Childcare Issues	10/3/2025*
		*Corrected from 9/29/2025

Minutes of September 30, 2025

San Joaquin Health Centers Board of Directors

Board Members Present: Matt Garber (Interim CEO); Nora Hana; Brian Heck (Board Chair); Jayvin Herrejon; Cassandra Lacondeguy; Rick Ledo; Samantha Monks (Treasurer); Jodie Moreno; James Myers; Mark Myles; David Ziolkowski

Excused Absent: None

Unexcused Absent: None

SJHC Staff: Michael Allen (Board Clerk); Kim Cuellar*; Jonathon Diulio

Guests: Brandi Hopkins; Quendrith Macedo; Rachel Novetzke; Genevieve Valentine*

AGENDA ITEM	ATTACHMENTS	ACTION
I. Commencement/Call to Order (Brian Heck) 1. The meeting was called to order at 5:30 p.m. A quorum was established for today's meeting. 2. SJ Health Board of Directors' Attendance Record was made available.	2025 Board Member Attendance	No action required
II. Public Comment No public comment.	No attachment	No action required
III. Consent Calendar (Brian Heck) 1. The consent calendar for September 30, 2025 was presented. Due to absences at meetings, the minutes were approved individually.	SJ Health Board Minutes 2025-08-26; SJ Health Ad Hoc Minutes 2025-09-11	1. Rick motioned to accept the minutes from 8/26/25, and David seconded; Nora, David, and Jayvin abstained and the motion was passed 7-0-3 David motioned to accept the minutes from 9/11/25, and Rick seconded; David and Nora abstained and the motion was passed 8-0-2
IV. Regular Calendar (Brian Heck) 1. Kim was attending virtually and presented the September Credentialing & Privileging Report. Initial appointments are: Amber Pohl, PA; Emmelynn King, PA; Tricia Scales, MD. Reappointment is: Patricia Apolinario, MD. Resignations are: Patricia Manuse, LCSW (9/16/25); Jasmine Manocha, NP (9/29/25). Michael noted that Jasmine's new resignation date is 10/3/25 and this was noted by the board as a correction.	1. Credentialing & Privileging Report – September 2025	1. Jodie motioned to accept the Credentialing & Privileging Report with corrections and Rick seconded; motion was passed unanimously with a vote of 10-0-0
V. Closed Session (Brian Heck) 1. Brian commenced closed session to interview CEO/PD candidates Shelton Brooks and Joseph Herman. There was nothing to report out of closed session.	No attachments	No action required
VI. Adjournment (Brian Heck) There being no further topics of discussion, Brian Heck adjourned the meeting at 8:45 p.m.	No attachments	No action required

INITIAL APPOINTMENTS

October 2025

The following practitioners have applied for membership and privileges at San Joaquin Health Centers. The following summary includes factors that determine membership: licensure, DEA, professional liability insurance, required certifications (if applicable), etc. Factors that determine competency include medical/professional education, internship/residencies/fellowships, board certification (if applicable), current and previous institutional affiliations, physical and mental health status, peer references, and past or pending professional disciplinary action. The applicants meet the requirements for membership unless noted below.

Membership Request	Name	Specialty/ Assigned Div/Dept	Competency / Privilege Review	Proctoring Required	Proctor	Rec Status/Term	Recommend
INITIAL APPOINTMENT October 2025	Mary Papazoglou CNM	CNM	Requirements for active staff met	None	Active 10/25-09/26	CRED: 10/10/2025 MED: 10/15/2025 BOARD: 10/28/2025	SIHEALTH MED STAFF

REAPPOINTMENTS

October 2025

The following practitioners have applied for reappointment to the Medical Staff of San Joaquin Health Centers. This summary includes factors that determine membership: licensure, DEA, professional liability insurance, hospital affiliations, etc. Qualitative/quantitative factors include ongoing performance evaluation which includes data from peer review, quality performance, clinical activity, privileges, competence, technical skill, behavior, health status, medical records, blood review, medication usage, litigation history, utilization and continuity of care. Affiliations, physical and mental health status, peer references, and past or pending professional disciplinary action. All the applicants privilege request commensurate with training, experience and current competence unless noted below.

Membership Request	Name	Specialty/ Assigned Div/Dept	Quantitative/Qualitative Factors Request for Privileges and/or Privilege Change	Action Taken/Rec. Exceptions for Cause	Rec. Staff Category/ Reappoint Period	Recommend	Credentialing Dept
REAPPOINTMENT October 2025	Amarpreet Everest MD	Family Medicine	Requirements for active staff met	None	Active 10/25-10/27	CRED: 10/10/2025 MED: 10/15/2025 BOARD: 10/28/2025	SJHEALTH MED STAFF
REAPPOINTMENT October 2025	Jeanine Radoc MD	Family Medicine	Requirements for active staff met	None	Active 10/25-10/27	CRED: 10/10/2025 MED: 10/15/2025 BOARD: 10/28/2025	SJHEALTH MED STAFF
REAPPOINTMENT October 2025	Patara Rojanavongse MD	Pediatrics	Requirements for active staff met	None	Active 10/25-10/27	CRED: 10/10/2025 MED: 10/15/2025 BOARD: 10/28/2025	SJHEALTH MED STAFF
REAPPOINTMENT October 2025	Shailaja Munagala MD	Family Medicine	Requirements for active staff met	None	Active 10/25-10/27	CRED: 10/10/2025 MED: 10/15/2025 BOARD: 10/28/2025	SJHEALTH MED STAFF

RESIGNATIONS
October 2025

Name	Reason for Resignation:	Effective Date of Resignation
Barbara Walston NP	Other employment opportunity	10/31/2025
Dung Le LCSW	unknown	10/10/2025
Lukas Warren CNM	Relocating for Family	10/17/2025

SAN JOAQUIN HEALTH CENTERS FINANCE PRESENTATION AUGUST 2025 FINANCIAL STATEMENTS

4.2

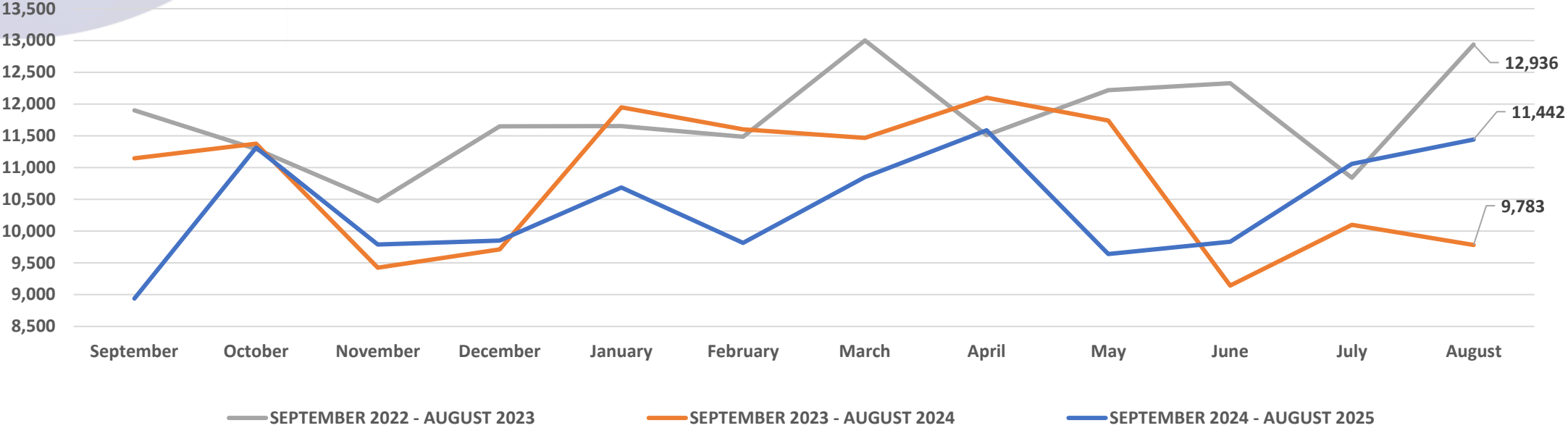
Rachna Sharma

Controller

Presentation Date: 9/30/2025

36-MONTH BILLABLE VISIT TRENDS (BY DOS)

4.2



FY26 Visits By Financial Class	Actual
Medi-Cal Managed Care	77.82%
Medicare	12.02%
Medi-Cal	6.05%
Commercial	3.17%
Self-Pay	0.94%
Total	100.00%

FY26 Month	Actual	Budget	Variance
Jul-25	11,058	11,586	(528)
Aug-25	11,442	11,062	380
Total	22,500	22,648	(148)

SJ HEALTH INCOME STATEMENT – AUGUST 2025

4.2

	Current Period Actual	Current Period Budget - Original	Current Period Budget Variance - Original	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original
Operating Revenue						
Net Patient Service Revenue	2,194,798	2,030,005	164,793	4,133,041	4,149,156	(16,116)
Supplemental Revenue	2,280,922	2,280,922	0	4,561,845	4,561,845	0
Capitation Revenue	453,083	458,333	(5,251)	911,146	916,667	(5,521)
Managed Care Incentives	79,000	79,000	0	158,000	158,000	0
Grant Revenue	81,241	41,719	39,523	159,190	83,437	75,753
340B Pharmacy Program	256,470	233,333	23,136	482,733	466,667	16,066
MOU & Other Income	58,027	64,556	(6,529)	361,944	346,694	15,250
Total Operating Revenue	5,403,541	5,187,869	215,672	10,767,898	10,682,466	85,432
Expenditures						
Salaries & Wages	1,840,534	2,374,310	533,775	3,511,246	4,935,817	1,424,571
Employee Benefits	839,788	1,286,076	446,287	1,735,867	2,679,564	943,697
Professional Fees	537,361	541,653	4,291	1,156,177	1,083,305	(72,872)
Purchased Services	241,544	267,577	26,033	505,985	535,154	29,169
Supplies	217,607	160,577	(57,029)	390,134	321,155	(68,979)
Depreciation	53,608	53,608	0	107,215	107,216	0
Interest	1,472	1,219	(253)	2,999	2,438	(562)
Office Expense	1,448	1,667	219	3,025	3,333	309
Dues, Subscription & Fees	132,027	127,119	(4,908)	267,413	254,238	(13,175)
Repairs & Maintenance	65,336	65,525	189	131,180	131,050	(130)
Telephone & Internet	15,407	20,599	5,192	30,902	41,198	10,296
Advertising & Promotions	1,336	5,024	3,687	1,416	10,047	8,631
Travel & Training	46,499	33,162	(13,338)	104,957	66,323	(38,634)
Insurance	41,275	35,120	(6,154)	84,817	70,241	(14,576)
Utilities	120,440	130,577	10,137	241,020	261,154	20,134
Rent	106,518	116,226	9,707	213,552	232,451	18,899
Miscellaneous	32,101	33,864	1,762	54,546	67,727	13,181
Total Expenditures	4,294,302	5,253,900	959,598	8,542,451	10,802,411	2,259,960
Net Income(Loss)	1,109,239	(66,031)	1,175,270	2,225,446	(119,945)	2,345,392

* Supplemental Revenue includes QIP revenue which represents 42.37% of Total Operating Revenues as of August 2025.

SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS AUGUST 2025 (ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

4.2

Income Statement Grouping	Current Period	Current Period	Current Period	%	August 2025 - Variance Explanations
	Actual	Budget - Original	Budget Variance - Original	Variance	
Revenues					
Net Patient Service Revenue	2,194,798	2,030,005	164,793	8%	Favorable variance mainly due to visits being higher than budget by 380 in August along with the favorable true up adjustment recorded for July based on actual cash collections.
Grant Revenue	81,241	41,719	39,523	95%	Favorable variance mainly due to actual ARPA grant revenue being higher than budget.
Expenditures					
Salaries & Wages	1,840,534	2,374,310	533,775	22%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Aug 2025 FTEs for direct hire positions are 184.57 compared to budgeted FTEs for 239.
Employee Benefits	839,788	1,286,076	446,287	35%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Aug 2025 FTEs for direct hire positions are 184.57 compared to budgeted FTEs for 239.
Supplies	217,607	160,577	(57,029)	-36%	Unfavorable variance mainly related to increase in pharmaceutical expenses for the 340B pharmacy program.
Telephone & Internet	15,407	20,599	5,192	25%	Favorable variance mainly related to lower actual expenses than budget for telephone charges.
Advertising & Promotions	1,336	5,024	3,687	73%	Favorable variance mainly related to lower actual marketing activity.
Travel & Training	46,499	33,162	(13,338)	-40%	Unfavorable variance mainly related to higher actual expenses than budget for contracted medical staff and employees' travel expense reimbursements.
Insurance	41,275	35,120	(6,154)	-18%	Unfavorable variance mainly related to higher actual malpractice insurance costs than budget for contracted medical staff.

SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS YTD FY26 (ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

4.2

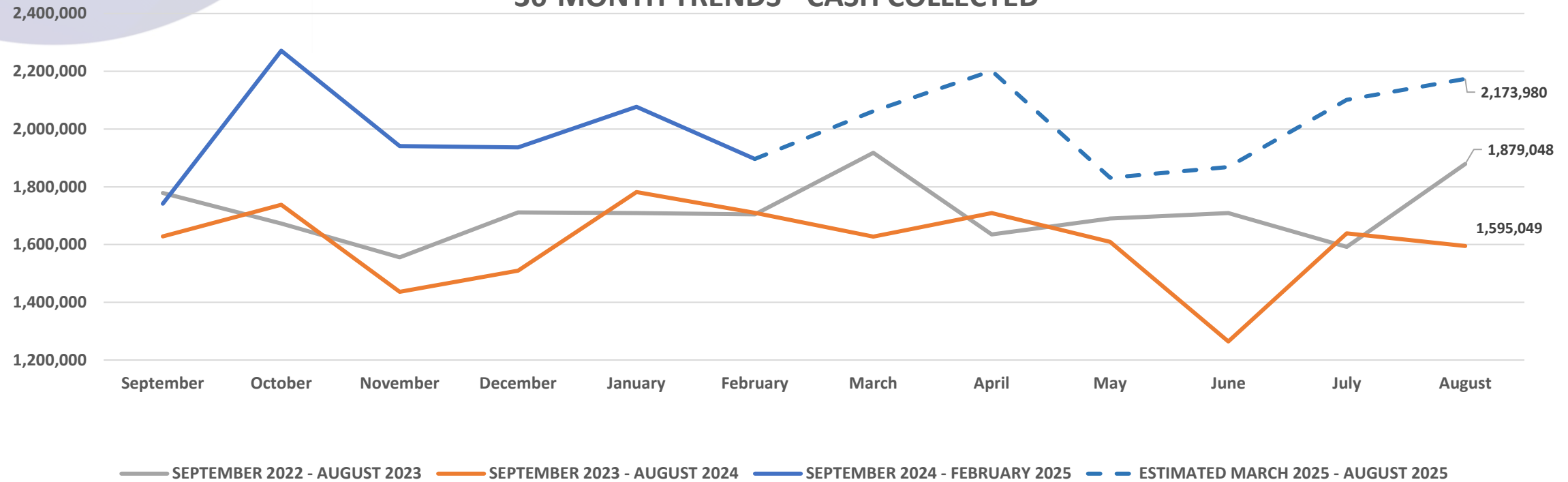
Income Statement Grouping	Current Period				YTD - Variance Explanations
	Current Period Actual	Current Period Budget - Original	Budget Variance - Original	% Variance	
Revenues					
Net Patient Service Revenue	4,133,041	4,149,156	(16,116)	0%	Unfavorable variance mainly due to visits being under budget YTD by 148.
Grant Revenue	159,190	83,437	75,753	91%	Favorable variance mainly due to actual ARPA grant revenue being higher than budget.
Expenditures					
Salaries & Wages	3,511,246	4,935,817	1,424,571	29%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Aug 2025 FTEs for direct hire positions are 184.57 compared to budgeted FTEs for 239.
Employee Benefits	1,735,867	2,679,564	943,697	35%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Aug 2025 FTEs for direct hire positions are 184.57 compared to budgeted FTEs for 239.
Supplies	390,134	321,155	(68,979)	-21%	Unfavorable variance mainly related to increase in pharmaceutical expenses for the 340B pharmacy program.
Telephone & Internet	30,902	41,198	10,296	25%	Favorable variance mainly related to lower actual expenses than budget for telephone charges
Advertising & Promotions	1,416	10,047	8,631	86%	Favorable variance mainly related to lower actual marketing activity.
Travel & Training	104,957	66,323	(38,634)	-58%	Unfavorable variance mainly related to higher actual expenses than budget for contracted medical staff and employees' travel expense reimbursements.
Insurance	84,817	70,241	(14,576)	-21%	Unfavorable variance mainly related to higher actual malpractice insurance costs than budget for contracted medical staff.
Miscellaneous	54,546	67,727	13,181	19%	Favorable mainly related to lower actual minor equipment and recruiting expenses than budget.

SJ HEALTH BALANCE SHEET- AUGUST 2025

4.2

	FY2025		
	JUNE 30, 2025	FY2026	FY2026
	(UNAUDITED)	JULY 31, 2025	AUGUST 31, 2025
Assets			
Cash & Cash Equivalents	32,994,295	34,579,015	33,483,615
Accounts Receivable	2,282,608	1,776,082	2,003,884
Property & Equipment	2,323,595	2,277,123	2,223,515
Other Assets	<u>15,901,518</u>	<u>17,873,372</u>	<u>19,833,765</u>
Total Assets	<u>53,502,017</u>	<u>56,505,592</u>	<u>57,544,779</u>
Liabilities			
Accounts Payable	1,607,815	1,500,597	1,192,093
Other Liabilities	<u>5,947,579</u>	<u>7,942,165</u>	<u>8,180,617</u>
Total Liabilities	<u>7,555,394</u>	<u>9,442,762</u>	<u>9,372,710</u>
Net Assets			
Unrestricted Net Assets	38,960,214	44,274,146	44,274,146
Restricted Net Assets	1,672,477	1,672,477	1,672,477
Current YTD Net Income	<u>5,313,932</u>	<u>1,116,207</u>	<u>2,225,446</u>
Total Net Assets	<u>45,946,622</u>	<u>47,062,830</u>	<u>48,172,069</u>
Total Liabilities and Net Assets	<u>53,502,017</u>	<u>56,505,592</u>	<u>57,544,779</u>

36-MONTH TRENDS - CASH COLLECTED



FY26 Collections By Financial Class	%
Medicaid	94.21%
Medicare	4.92%
Commercial	0.75%
Self-Pay	0.12%
Total	100.00%

NOTE: COLLECTIONS FROM MARCH 2025 THROUGH AUGUST 2025 HAVE BEEN ESTIMATED BASED ON THE HISTORICAL TREND. INCREASE IN COLLECTIONS FROM SEPTEMBER 2024 THROUGH AUGUST 2025 IS DUE TO THE IMPLEMENTATION OF INTERMITTENT CLINIC STRATEGY.

CAPITAL LINK FQHC FINANCIAL BENCHMARKS VS SJ HEALTH

4.2

DATA SUMMARY	CAPITAL LINK TARGET	2023 NATIONAL MEDIAN	2023 CALIFORNIA MEDIAN	SJ HEALTH FYTD FY25 (UNAUDITED)	SJ HEALTH FYTD FY26
FINANCIAL HEALTH					
1 Operating Margin As a % of Operating Revenue	>3%	4%	5%	10.1%	20.7%
2 Bottom Line Margin As a % of Operating Revenue	>3%	6%	6%	10.1%	20.7%
3 Days Cash on Hand	>60 Days	105	129	259	246
4 Days in Net Patient Receivables	<45 Days	36	39	37	33
5 Personnel-Related Expense (PRE) As a % of Operating Revenue	<70%	69%	72%	72%	64%

SJHC BOARD MEMBER KEY FISCAL UNDERSTANDINGS

- The historical 26K patient gap between panel size and panel seen represents SJHC's largest potential opportunity for revenue capture.
- Opportunity available to maximize the usage of existing exam rooms and adequately staff the provider positions that will help improve visits and revenues.
- YTD net income is favorable to budget by \$2.35M.
- YTD billable visits are unfavorable to budgeted billable visits by 148.
- \$1.7M have been recorded as Restricted Net Assets on the August 2025 financials.

San Joaquin Health Centers
Financial Statement Comments

August 2025

Summary of FQHC Performance: Fiscal Year-to-Date

Year-to-date (YTD) billable visits as of August are unfavorable to budget by 148 visits mainly related to visits included in the FY26 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 August are favorable to budget by \$164,793 primarily due to higher billable visits along with the favorable YTD revenue true up adjustment recorded based on the actual collections. YTD financials reflect an estimated PPS liability accrual of \$50,000. August 2025 financials include Medi-Cal payment for \$139,334 for FY2023 PPS liabilities due to DHCS.

Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of \$4,561,845. Also, YTD financials include Capitation Revenue for \$911,146 and 340B Pharmacy program revenue for \$482,733. Grant Revenues include ARPA grant revenues for \$159,190. YTD financials include estimated Hedis Gap Closure incentive revenues accrued for \$158,000 for July and August health care services.

Other Revenue includes revenues accrued for \$106,987 related to Purchased Services provided to SJGH by SJHC per the MOU. Interest income for \$254,830 has been reflected on the financials, which is favorable compared to budget by \$8,136 mainly due to higher cash balance contained within the County Treasury.

Total Operating Revenue is favorable to budget by \$85,432 primarily due to revenues related to grants, 340B pharmacy program and interest income higher than budget.

Salaries and Benefits expenses exhibit a favorable variance to budget by \$2,368,269 which is mainly related to vacant positions that have not filled yet. Salaries and Benefits expenses budgeted for FY26 are based on 100% employment.

Other operating expenses exhibit an unfavorable variance of \$108,309 largely due to an unfavorable variance for \$208,928 for Professional Fees, Supplies, Interest, Dues, Repairs, Travel, and Insurance expenses offset by a favorable variance of \$100,619 reflected in the Purchased Services, Office, Telephone, Advertising, Utilities, Rent, and Miscellaneous expense categories. An estimated accrual for the Purchased Services is recorded for July and August based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by \$2,259,960.

Unaudited, as presented, YTD Net Income of \$2,225,446 represents a favorable variance of \$2,345,392 as compared to budgeted Net Loss of \$119,945. Net Income is favorable mainly due to the actual salaries and benefits expenses related to vacant positions that have not been filled yet and are included in FY26 budgeted expenses.

Additional Factors Impacting FQHC Fiscal Results

- Supplemental revenues are estimates based on current performance and statewide pool amounts for the California Department of Public Health Quality Incentive Pool Program.
- On SJ Health's balance sheet, deferred grant revenues amount to \$1,672,477 as of August 2025.

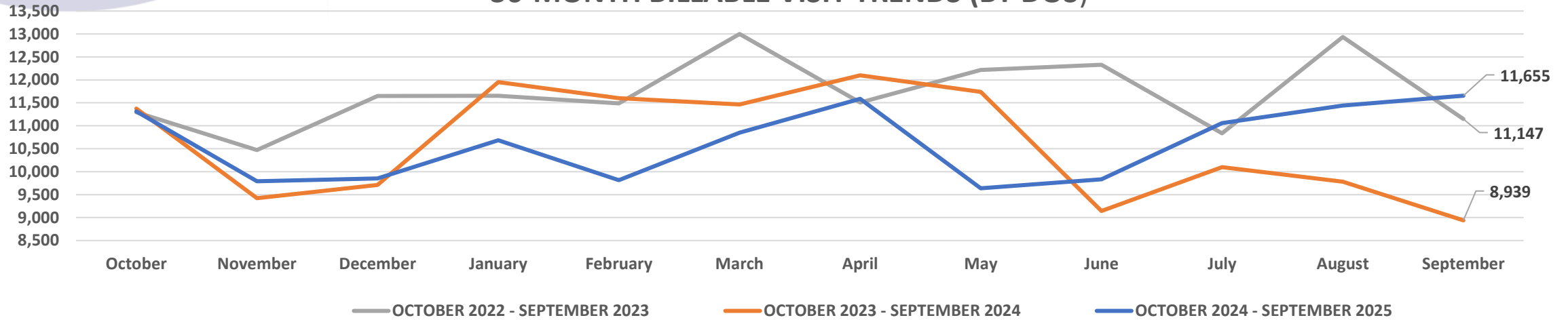
SAN JOAQUIN HEALTH CENTERS FINANCE PRESENTATION SEPTEMBER 2025 FINANCIAL STATEMENTS

4.2

Rachna Sharma
Controller

Presentation Date: 10/28/2025

36-MONTH BILLABLE VISIT TRENDS (BY DOS)



FY26 Visits By Financial Class	Actual
Medi-Cal Managed Care	78.25%
Medicare	11.72%
Medi-Cal	6.14%
Commercial	2.87%
Self-Pay	1.02%
Total	100.00%

FY26 Month	Actual	Budget	Variance
Jul-25	11,058	11,586	(528)
Aug-25	11,442	11,062	380
Sep-25	11,655	11,052	603
Total	34,155	33,700	455

SJ HEALTH INCOME STATEMENT – SEPTEMBER 2025

4.2

	Current Period Actual	Current Period Budget - Original	Current Period Budget Variance - Original	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original
Operating Revenue						
Net Patient Service Revenue	2,280,338	2,028,205	252,133	6,413,379	6,177,362	236,017
Supplemental Revenue	2,280,922	2,280,922	0	6,842,767	6,842,767	0
Capitation Revenue	448,232	458,333	(10,101)	1,359,378	1,375,000	(15,622)
Managed Care Incentives	79,000	79,000	0	237,000	237,000	0
Grant Revenue	74,899	41,719	33,180	234,089	125,156	108,933
340B Pharmacy Program	195,297	233,333	(38,036)	678,030	700,000	(21,970)
MOU & Other Income	57,465	64,556	(7,091)	419,409	411,250	8,159
Total Operating Revenue	5,416,153	5,186,069	230,085	16,184,051	15,868,535	315,516
Expenditures						
Salaries & Wages	1,637,124	2,467,909	830,785	5,148,369	7,403,726	2,255,356
Employee Benefits	849,877	1,339,783	489,906	2,585,744	4,019,347	1,433,603
Professional Fees	623,805	541,653	(82,152)	1,779,982	1,624,958	(155,024)
Purchased Services	251,656	267,577	15,921	757,640	802,731	45,091
Supplies	213,170	160,577	(52,593)	603,305	481,732	(121,572)
Depreciation	53,608	53,608	0	160,823	160,823	0
Interest	1,417	1,219	(198)	4,416	3,656	(760)
Office Expense	1,577	1,667	90	4,602	5,000	399
Dues, Subscription & Fees	136,325	127,119	(9,206)	403,738	381,356	(22,381)
Repairs & Maintenance	66,890	65,525	(1,365)	198,070	196,575	(1,495)
Telephone & Internet	18,153	20,599	2,446	49,056	61,797	12,742
Advertising & Promotions	4,683	5,024	341	6,099	15,071	8,972
Travel & Training	57,937	33,162	(24,775)	162,894	99,485	(63,409)
Insurance	41,820	35,120	(6,699)	126,636	105,361	(21,275)
Utilities	121,251	130,577	9,326	362,271	391,731	29,460
Rent	117,861	116,226	(1,636)	331,414	348,677	17,263
Miscellaneous	60,433	33,864	(26,569)	114,979	101,591	(13,388)
Total Expenditures	4,257,585	5,401,206	1,143,622	12,800,036	16,203,618	3,403,582
Net Income(Loss)	1,158,569	(215,138)	1,373,706	3,384,015	(335,083)	3,719,098

* Supplemental Revenue includes QIP revenue which represents 42.28% of Total Operating Revenues as of September 2025.

SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS SEPTEMBER 2025 (ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

4.2

Income Statement Grouping	Current Period	Current Period	Current Period	%	September 2025 - Variance Explanations
	Actual	Budget - Original	Budget Variance - Original	Variance	
Revenues					
Net Patient Service Revenue	2,280,338	2,028,205	252,133	12%	Favorable variance mainly due to visits being higher than budget by 603 visits.
Grant Revenue	74,899	41,719	33,180	80%	Favorable variance mainly due to actual ARPA grant revenue being higher than budget.
340B Pharmacy Program	195,297	233,333	(38,036)	-16%	Unfavorable variance mainly due to actual 340B pharmacy revenue lower than budget.
Expenditures					
Salaries & Wages	1,637,124	2,467,909	830,785	34%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Sep 2025 FTEs for direct hire positions are 183.41 compared to budgeted FTEs for 239.
Employee Benefits	849,877	1,339,783	489,906	37%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Sep 2025 FTEs for direct hire positions are 183.41 compared to budgeted FTEs for 239.
Professional Fees	623,805	541,653	(82,152)	-15%	Unfavorable variance mainly due to higher than anticipated utilization of contracted medical support staff.
Supplies	213,170	160,577	(52,593)	-33%	Unfavorable variance mainly due to increase in pharmaceutical expenses related to the 340B pharmacy program.
Travel & Training	57,937	33,162	(24,775)	-75%	Unfavorable variance mainly related to higher than anticipated travel expenses for the contracted medical staff along with the unbudgeted transportation cost for the patients.
Insurance	41,820	35,120	(6,699)	-19%	Unfavorable variance mainly related to higher than anticipated malpractice insurance expenses for contracted medical staff.
Miscellaneous	60,433	33,864	(26,569)	-78%	Unfavorable variance mainly related to higher than anticipated recruiting expenses for Comphealth and Medicorp vendors.

SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS YTD FY26

(ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

4.2

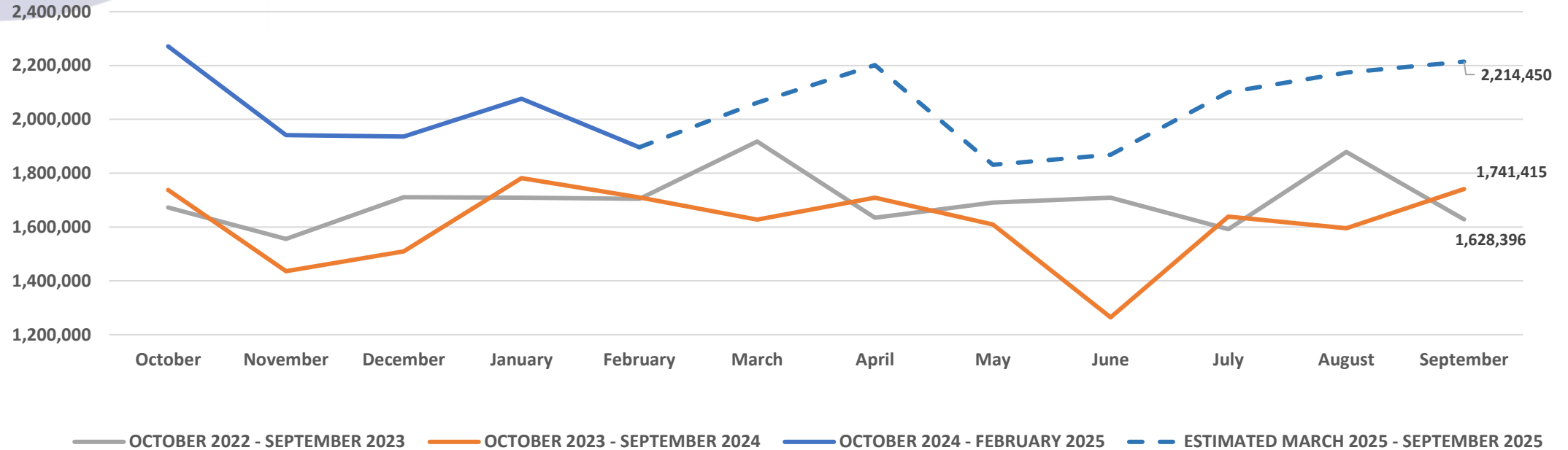
Income Statement Grouping	Current Period				YTD - Variance Explanations
	Current Period Actual	Current Period Budget - Original	Budget Variance - Original	% Variance	
Revenues					
Net Patient Service Revenue	6,413,379	6,177,362	236,017	4%	Favorable variance mainly due to visits being higher than budget by 455 visits.
Grant Revenue	234,089	125,156	108,933	87%	Favorable variance mainly due to actual ARPA grant revenue being higher than budget.
Expenditures					
Salaries & Wages	5,148,369	7,403,726	2,255,356	30%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Sep 2025 FTEs for direct hire positions are 183.41 compared to budgeted FTEs for 239.
Employee Benefits	2,585,744	4,019,347	1,433,603	36%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual Sep 2025 FTEs for direct hire positions are 183.41 compared to budgeted FTEs for 239.
Professional Fees	1,779,982	1,624,958	(155,024)	-10%	Unfavorable variance mainly due to higher than anticipated utilization of contracted medical support staff.
Telephone & Internet	49,056	61,797	12,742	21%	Favorable variance mainly related to lower actual expenses than budgeted for telephone charges.
Advertising & Promotions	6,099	15,071	8,972	60%	Favorable variance mainly related to lower actual marketing expenses than budgeted.
Travel & Training	162,894	99,485	(63,409)	-64%	Unfavorable variance mainly related to higher than anticipated travel expenses for the contracted medical staff along with the unbudgeted transportation cost for the patients.
Insurance	126,636	105,361	(21,275)	-20%	Unfavorable variance mainly related to higher than anticipated malpractice insurance expenses for contracted medical staff.
Miscellaneous	114,979	101,591	(13,388)	-13%	Unfavorable variance mainly related to higher than anticipated recruiting expenses for Comphealth and Medicorp vendors.

SJ HEALTH BALANCE SHEET- SEPTEMBER 2025

4.2

	FY2025			
	JUNE 30, 2025	FY2026	FY2026	FY2026
	(UNAUDITED)	JULY 31, 2025	AUGUST 31, 2025	SEPTEMBER 30, 2025
Assets				
Cash & Cash Equivalents	32,994,295	34,579,015	33,483,615	32,464,668
Accounts Receivable	2,282,608	1,776,082	2,003,884	2,123,851
Property & Equipment	2,323,595	2,277,123	2,223,515	2,169,907
Other Assets	<u>15,901,518</u>	<u>17,873,372</u>	<u>19,833,765</u>	<u>21,608,100</u>
Total Assets	<u>53,502,017</u>	<u>56,505,592</u>	<u>57,544,779</u>	<u>58,366,527</u>
Liabilities				
Accounts Payable	1,607,815	1,500,597	1,192,093	860,296
Other Liabilities	<u>5,947,579</u>	<u>7,942,165</u>	<u>8,180,617</u>	<u>8,175,594</u>
Total Liabilities	<u>7,555,394</u>	<u>9,442,762</u>	<u>9,372,710</u>	<u>9,035,890</u>
Net Assets				
Unrestricted Net Assets	38,960,214	44,274,146	44,274,146	44,274,146
Restricted Net Assets	1,672,477	1,672,477	1,672,477	1,672,477
Current YTD Net Income	<u>5,313,932</u>	<u>1,116,207</u>	<u>2,225,446</u>	<u>3,384,015</u>
Total Net Assets	<u>45,946,622</u>	<u>47,062,830</u>	<u>48,172,069</u>	<u>49,330,638</u>
Total Liabilities and Net Assets	<u>53,502,017</u>	<u>56,505,592</u>	<u>57,544,779</u>	<u>58,366,527</u>

36-MONTH TRENDS - CASH COLLECTED



FY26 Collections By Financial Class	%
Medicaid	94.32%
Medicare	4.95%
Commercial	0.42%
Self-Pay	0.31%
Total	100.00%

NOTE: COLLECTIONS FROM MARCH 2025 THROUGH SEPTEMBER 2025 HAVE BEEN ESTIMATED BASED ON THE HISTORICAL COLLECTIONS TREND. INCREASE IN COLLECTIONS FROM OCTOBER 2024 THROUGH SEPTEMBER 2025 IS DUE TO THE IMPLEMENTATION OF INTERMITTENT CLINIC STRATEGY IN SEPTEMBER 2024.

CAPITAL LINK FQHC FINANCIAL BENCHMARKS VS SJ HEALTH

4.2

DATA SUMMARY	CAPITAL LINK TARGET	2023 NATIONAL MEDIAN	2023 CALIFORNIA MEDIAN	SJ HEALTH FYTD FY25 (UNAUDITED)	SJ HEALTH FYTD FY26
FINANCIAL HEALTH					
1 Operating Margin As a % of Operating Revenue	>3%	4%	5%	10.1%	20.9%
2 Bottom Line Margin As a % of Operating Revenue	>3%	6%	6%	10.1%	20.9%
3 Days Cash on Hand	>60 Days	105	129	259	236
4 Days in Net Patient Receivables	<45 Days	36	39	37	35
5 Personnel-Related Expense (PRE) As a % of Operating Revenue	<70%	69%	72%	72%	63%

SJHC BOARD MEMBER KEY FISCAL UNDERSTANDINGS

- **The historical 26K patient gap between panel size and panel seen represents SJHC's largest potential opportunity for revenue capture.**
- **Opportunity available to maximize the usage of existing exam rooms and adequately staff the provider positions that will help improve visits and revenues.**
- **YTD net income is favorable to budget by \$3.72M.**
- **YTD billable visits are favorable to budgeted billable visits by 455.**
- **\$1.7M have been recorded as Restricted Net Assets on the September 2025 financials.**



San Joaquin Health Centers
Financial Statement Comments
September 2025

Summary of FQHC Performance: Fiscal Year-to-Date

Year-to-date (YTD) billable visits as of September are favorable to budget by 455 visits. Net Patient Service Revenues for September are favorable to budget by \$252,133 which is in line with the higher billable visits. YTD financials reflect an estimated PPS liability accrual of \$75,000. YTD financials include Medi-Cal payment for \$139,334 for FY2023 PPS liabilities due to DHCS.

Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of \$6,842,767. Also, YTD financials include Capitation Revenue for \$1,359,378 and 340B Pharmacy program revenue for \$678,030. Grant Revenues include ARPA grant revenues for \$234,089. YTD financials include estimated Hedis Gap Closure incentive revenues accrued for \$237,000 for July through September health care services.

Other Revenue includes revenues accrued for \$164,289 related to Purchased Services provided to SJGH by SJHC per the MOU. Interest income for \$254,894 has been reflected on the financials, which is unfavorable compared to budget by \$6,356.

Total Operating Revenue is favorable to budget by \$315,516 primarily due to revenues related to patient services, SJGH Chargebacks per MOU, and grants higher than budget.

Salaries and Benefits expenses exhibit a favorable variance to budget by \$3,688,959 which is mainly related to vacant positions that have not filled yet. Salaries and Benefits expenses budgeted for FY26 are based on 100% employment. Recruitment efforts are ongoing to fill the vacant positions.

Other operating expenses exhibit an unfavorable variance of \$285,378 largely due to an unfavorable variance for \$399,304 for Professional Fees, Supplies, Interest, Dues, Repairs, Travel, Insurance and Miscellaneous expenses offset by a favorable variance of \$113,926 reflected in the Purchased Services, Office, Telephone, Advertising, Utilities, and Rent expense categories. An estimated accrual for the Purchased Services is recorded from July through September based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by \$3,403,582.

Unaudited, as presented, YTD Net Income of \$3,384,015 represents a favorable variance of \$3,719,098 as compared to budgeted Net Loss of \$335,083. Net Income is favorable mainly due to the actual salaries and benefits expenses related to vacant positions that have not been filled yet and are included in FY26 budgeted expenses.

Additional Factors Impacting FQHC Fiscal Results

- Supplemental revenues are estimates based on current performance and statewide pool amounts for the California Department of Public Health Quality Incentive Pool Program.
- On SJ Health's balance sheet, deferred grant revenues amount to \$1,672,477 as of September 2025.