

Minutes of May 30, 2023
San Joaquin Health Centers Board of Directors

Board Members Present: Farhan Fadoo (CEO); Monica Fuentes; Brian Heck (Vice Chair); Cynthia King*; Karen Lee; Samantha Monks; Jodie Moreno; Rod Place (Board Chair); Kristin Shinn; Tarsha Taylor-Godfrey*

Excused Absent: Bernadette Pua

Unexcused Absent: Esgardo Medina

SJHC Staff: Ahdel Ahmed; Jonathon Diulio; Dena Galindo; Mary-Lou Milabu; Barbara Kissinger-Santos; Jeff Slater; Rajat Simhan; Alice Soulgne; Susan Thorne; Kris Zuniga

Guests: None

AGENDA ITEM	ATTACHMENTS	ACTION
<p>I. Commencement/Call to Order (Rod Place)</p> <ol style="list-style-type: none"> The meeting was called to order at 5:34 p.m. A quorum was established for today's meeting. The agenda for today's meeting was approved unanimously. SJ Health Board of Directors' Attendance Record was made available. 	<p>2022 Board Member Attendance</p>	<p>1. Jodie motioned to approve the agenda and Samantha seconded; motion was approved unanimously</p>
<p>II. Public Comment None</p>	<p>No attachment</p>	<p>No action required</p>
<p>III. Consent Calendar (Rod Place)</p> <ol style="list-style-type: none"> The minutes from April's Board meeting on 4/25/23 were approved by the board. Patient Complaint & Grievance Policy Patient Rights & Responsibilities Patient Satisfaction & Survey Policy 340B Pharmacy Policy Sliding Fee Scale Discount for Patients Referred for Lab & Radiology 	<p>Board Minutes 2023-04-25; Patient Complaint & Grievance Policy; Patient Rights & Responsibilities; Patient Satisfaction & Survey Policy; 340B Pharmacy Policy; Sliding Fee Scale Discount for Patients Referred for Lab & Radiology</p>	<p>1. Jodie motioned to approve the consent calendar and Samantha seconded; motion was approved unanimously</p>
<p>IV. Regular Calendar (Rod Place)</p> <ol style="list-style-type: none"> Billable visits for April are unfavorable to budget by 2,341, which is mainly related to the Manteca Clinic visits. Since Manteca Clinic has just begun its operations in April, therefore, the actual visits for the Manteca Clinic were lower than the budgeted visits. Net Patient Service Revenues for April are favorable to budget by \$151,329, which is mainly related to a favorable adjustment recorded for \$386,915 to true up FY2018 PPS reconciliation liability based on the updated information received from DHCS. In April, SJGH transferred funds for \$15,972,206 to SJHC related to the remaining Due From SJGH outstanding balance for FY22, which is reflected as an increase in Cash And Cash Equivalents and a decrease in Other Assets categories on the Balance Sheet. <p>YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program revenue for \$10,198,872. Based on the most recent information received on the QIP</p>	<p>CFO Presentation – 2023-03; Finance Narrative – 2023-03</p>	<p>1. Karen motioned to approve the April financials and Jodie seconded; motion was approved unanimously</p> <p>2. Cynthia motioned to approve the Capital Budget and Brian seconded; motion was approved unanimously.</p> <p>Kristin motioned to approve the Operational Budget and Monica seconded; motion was approved unanimously</p>

<p>distribution, QIP Revenue Receivable includes QIP Program Revenue related favorable adjustments for \$849,355 from January through December 2021 for PY4 and unfavorable adjustments for \$2,580,904 from January through June 2022 for PY5 respectively. Also, YTD financials include the reversal of estimated QIP reserves for \$2,425,128 for prior years. Combined Grants Revenue includes revenues for Behavioral Health Integration, Discovery Challenge Academy, SOR2, Connect2Care, HEDIS, Enhanced Care Management, ARPA, and American Rescue Plan (ARP) grants for \$4,420,981. Also, YTD grant revenues are higher than budget due to the recognition of American Rescue Plan (ARP) grant revenue for \$765,299 for activity related to January 2021 through June 2021 period in July. Capitation and Managed Care Incentives are trending higher than budget with a favorable variance of \$1,961,179 mainly related to Cal Aim payments received for Year 1 and Year 2 for \$1,326,911 and \$357,537 respectively. YTD financials include revenues for \$623,909 related to supplemental payments received for the 340B Pharmacy program. YTD Other Revenue includes revenues accrued for \$523,646 related to Purchased Services provided to SJGH by SJHC per the MOU and Interest Income of \$89,173. Total YTD Operating Revenue is favorable to budget by \$1,037,273.</p> <p>YTD Salaries and Benefits expenses exhibit a favorable variance to budget by \$4,990,140 mostly due to lower than budgeted salaries and benefits for SJGH providers and employees providing services for the clinics. Also, Salaries and Benefits expenses are low due to YTD adjustment recorded in November to true up the payroll liabilities. Other operating expenses exhibit an unfavorable variance of \$4,244,025 largely due to Purchased Services with a favorable variance of 3,773,521 mainly offset by unfavorable variance in Professional Fees, Supplies, Interest, Depreciation, and Other Expenses for \$8,017,546. YTD financials reflect the Purchased Services expense trued up from July through December based on the actual expense information provided by SJGH, which resulted in the reclassification of various expenses such as rents, repairs, professional fees, utilities, supplies, labor and other expenses from Purchased Services to their respective expense categories. An estimated expense for the Purchased Services is recorded from January through April based on the MOU. YTD expenditures are favorable to budget by \$746,115.</p> <p>Unaudited, as presented, Net Income of \$3,144,060 on a year-to-date basis is favorable compared to budget by \$1,783,388.</p> <p>Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 6% against a goal of >3%, Bottom Line Margin at 8% against a goal of >3%, Days Cash on Hand at 212 against a goal of >45 days, Days in Net Patient Receivables at 25 against a goal of <60 days, and Personnel-Related Expenses at 69% against a goal of <70%.</p> <p>2. The FY 2023-24 Operational Budget and Capital Budget were presented by Kris.</p>		<p>3. Jodie motioned to accept no changes to the Sliding Scale Nominal Fees at this time and Monica seconded; motion was approved unanimously</p> <p>4. Brian motioned to accept the Credentialing & Privileging Report and Cynthia seconded; motion was approved unanimously</p> <p>5. No action required</p> <p>6. Cynthia motioned to accept the QI/QA Report and Samantha seconded; motion was approved unanimously</p> <p>7. No action required</p> <p>8. Jodie motioned to approve the Community Project Funding Program Application and Brian seconded; motion was approved unanimously</p> <p>9. No action required</p>
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Budget Assumptions include: FY23 revenue performance as the basis for projected net patient services revenue, purchased services per MOU with San Joaquin County, new positions added in support departments, 36% of total QIP revenues earned at an assumed 69% of available pool, labor costs calculated at 100% employment, Lodi clinic and mobile clinic as additional service sites, and Medi-Cal redetermination process resulting in 20% loss in their managed care membership. Methodology based on: eight-month financials as of February 2023 used to project FY24 expenditures and revenues, and patient revenues calculated for assumed provider and support staffing levels.

FY24 Budget Revenue total is \$48.8 million against Budgeted Expenses of \$48.4 million. Total FTEs for FY24 were reduced by 1.5 FTEs from FY23. FY24 Billable Visit totals expected to increase by 8% over FY23. Total Net Income for FY24 budgeted as \$454,335. Projected Ending Cash Balance at June 30, 2024 budgeted at \$20,821,840.

FY24 Capital Budget Estimated Net Funds Available are \$13,781,299. FY24 Capital Outlay budgeted at \$2,302,102, Capital Project Funded by Grant Awards budgeted at \$1,810,929, and Net Cash Demand budgeted at \$491,173.

3. The completed Sliding Scale Nominal Fee evaluation was reviewed. Due to the data showing less utilization than that of the overall patient population and low levels of unpaid balances suggesting that the Sliding Fee levels do not present a barrier to care, the recommendation was to make no changes to the rates at this time.
4. Barbara presented the Credentialing & Privileging Report. The 10 initial appointments are: Bonnie Henderson, LCSW; Ambreen Rahman, DO; Anh Le, MD; Gerardo Hernandez, MD; Jason Bass, MD; Louis Lim, MD; Mamta Jain, MD; Mohsen Saadat, MD; Neeta Shroff, MD; and Vivian Cefalo, MD. The 3 reappointments are: Jackline Grace, MD; Jonathon Diulio, MD; and Patricia Manuse, LCSW.
5. Ahdel presented the legislative updates including the Medi-Cal redetermination process, changes to the SNAP program age requirements, a health care spending bill approved by legislature, and passage of SB819 allowing billable visits for mobile clinics. Regarding SB525, it is believed there will be insufficient support to grant health care workers a minimum \$25/hour wage.
6. Quality Report for the 1st quarter of 2023 was presented by Mary-Lou. Particular areas of focus were adult BMI screenings, pediatric well care visits, early prenatal care, postpartum care, and prenatal/postpartum depression screening. Gap closure clinics are being held during the week and on select Saturdays, primarily for pap screenings.

<p>QIP PY6 Bold Goal Priority Measures were reviewed, with 4 measures now met (Childhood Immunization, Adolescent Immunization, timely Prenatal/Postpartum Care, and timely Well-Child Visits.</p> <p>OB/GYN Cheat Sheets were developed and shown to the committee. These will help providers know which screenings are due for various demographics.</p> <p>Peer Review efforts were summarized, with only 2 of 103 charts needing follow-up action.</p> <p>Patient Satisfaction scores for the 1st quarter were reviewed, with a focus on comment distribution. 60.8% of comments were positive and 18.5% were negative (n=599).</p> <p>7. Annual CEO evaluations were distributed by Dena Galindo and Michael will follow up with those not in attendance.</p> <p>8. A request to approve application for Community Project Funding to HRSA in the amount of \$1,810,929 to support the building and equipping of a new SJ Health clinic in Lodi was presented by Jeff. Lodi Clinic has a projected opening date of December 2024.</p> <p>9. Dr. Fadoo discussed increased in-person visits during May. Mobile unit Street Medicine efforts are proving challenging, but rewarding. QIP PY5 data submission is due 6/15/23. CalAIM/ECM efforts growing in SJ County and expanding into Stanislaus County. Public donation site is now active. Telehealth offerings are increasing and expanding to additional patients. SJ Health is pursuing a partnership with UOP to augment pharmacist-driven CDM programming. Manteca Health Center's ribbon cutting ceremony is scheduled for 6/6/23. Phase 1 of Luma Health (patient appointment reminder & chat application) went live in May and DAX (AI-enabled scribing) expanded from 5 to 15 provider users. 46 of 75 3-Year Strategic Plan projects completed.</p>		
<p>V. Adjournment (Rod Place) There being no further topics of discussion, Rod Place adjourned the meeting at 6:44 p.m.</p>	<p>No attachments</p>	<p>No action required</p>

***NOTE: Board Member joined remotely**