SJ HEALTH
San Joaquin Health Centers

SAN JOAQUIN COUNTY CLINICS PUBLIC BENEFIT CORPORATION
BOARD MEETING AGENDA
10100 Trinity Parkway, Suite 100, Stockton, CA 95219
August 25, 2026, 5:30 P.M.

Our Mission: *To drive sustained health improvement for San Joaquin County's diverse community through individual engagement, community partnerships and high quality, equitable healthcare delivery.*
Our Vision: *We envision healthier futures for those we serve, enabled by nimble, adaptive, and progressive care delivery.*

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

Watch the Meeting Live via Microsoft Teams: **Join the meeting now** *
*Note: Livestreaming for the public is for listening and monitoring only. Remote presenters will be granted access only during their scheduled presentation time before the Board. *Full meeting link is available with the agenda posted at www.sjhealth.org.*
Persons requiring disability-related accommodations to participate in this meeting should 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 on matters within the Board's jurisdiction. Members of the public are encouraged to complete a Public Comment form available near the entrance to the Board Room. **Speakers are limited to three (3) minutes** and are expected to be civil and courteous.

   Members of the public will also be provided with an opportunity to comment on agenda items before or during the Board's consideration of each item.

   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 on any item not appearing on the posted agenda. Members of the Board may: (1) briefly respond to statements or questions; (2) ask a question for clarification; or (3) refer the matter to staff for further information.

3. **CONSENT CALENDAR**
   - 3.1 Approve Minutes of Board Meeting – July 28, 2026
   - 3.2 August 2026 Credentialing Report

SJ HEALTH
San Joaquin Health Centers

4. **ACTION ITEMS**
   - 4.1 Review and Accept June 2026 Finance Report
   - 4.2 Review and Approve Addition of Authorized Signer for BMO Operating and Payroll Accounts – Tina Shahani
   - 4.3 Review and Accept HRSA NAP Award - Presentation

   Board to consider and take possible action

5. **DISCUSSION ITEMS**
   - 5.1 Board Chair Report
   - 5.2 Mobile Clinic Tour
   - 5.3 Behavioral Health Services through the Clinics – Future of Integrations
   - 5.4 CMO Report
   - 5.5 CEO Report
     - 5.5.1 Five-Month Retrospective Overview
   - 5.6 Draft Strategic Plan Presentation
   - 5.7 Board Handbook Portal

6. **BOARD COMMENTS**
   - 6.1 Open Discussion / Board Member Comments
     - 6.1.1 Future Presentations

7. **CALENDAR**
   - 7.1 Next Board Meeting – September 29, 2026, at 5:30 PM

9. **ADJOURNMENT**

10100 Trinity Parkway, Suite 100
Stockton, CA 95219
Office: (209) 953-3700
Fax: (209) 953-9195
www.sjhealth.org

SJ HEALTH
San Joaquin Health Centers

August 25, 2026

Board of Directors
A.G. Spanos Building
Stockton, CA 95219

Dear Board Members,

Acceptance of Unaudited Financial Statements for the Period Ending June 30, 2026

RECOMMENDATION

It is recommended that the Board of Directors accept the unaudited financial statements for the period ending June 30, 2026 (unaudited).

REASON FOR RECOMMENDATION

Overall, SJ Health's financial position remains strong. Year-to-date (YTD) billable visits through June 2026 exceeded budget by 5,606 visits.

Total YTD operating revenue is unfavorable to budget by $921,987, primarily due to lower-than-budgeted capitation revenue resulting from a decline in assigned membership and lower managed care incentive revenue. The managed care incentive variance is largely attributable to reduced HEDIS Gap Closure Block Access revenue accrued for June based on updated contract terms that became effective in January 2026.

YTD operating expenditures are favorable to budget by $12,768,435. Savings of $12,431,298 came from salary and benefits associated with vacant positions. Recruitment efforts remain ongoing to fill critical vacancies. Another notable savings came from professional fees for $591,132 due to underutilized consulting fees.

The Finance Committee reviewed the unaudited financial statements and recommends their acceptance by the Board of Directors.

FISCAL IMPACT

As presented, the unaudited YTD net income of $12,218,113 represents a favorable variance of $11,846,447 compared to the budgeted net profit of $371,666. The favorable variance is primarily attributable to personnel savings resulting from vacant positions.

ACTION TO BE TAKEN FOLLOWING APPROVAL

Upon acceptance by the Board of Directors, no further action is required.

10100 Trinity Parkway, Suite 100
Stockton, CA 95219
Office: (209) 953-3700
Fax: (209) 953-9195
www.sjhealth.org

SJ HEALTH
San Joaquin Health Centers

August 25, 2026

Board of Directors
A.G. Spanos Building
Stockton, CA 95219

Dear Board Members,

Approval of Addition of Authorized Signer for BMO Bank Accounts

RECOMMENDATION

It is recommended that the Board of Directors approve the addition of authorized signers for SJ Health's BMO bank accounts.

REASON FOR RECOMMENDATION

San Joaquin Health Centers (SJ Health) maintains two bank accounts with BMO that were established following the organization's separation from San Joaquin General Hospital in 2021.

Due to changes in organizational leadership and personnel, the list of authorized signers for these accounts should be updated to reflect current staff and maintain appropriate internal controls.

The proposed changes are as follows:

Payroll Account (No. XXXX8144)
- Add Tina Shahani, Management Analyst III.

Operating Account (No. XXXX8318)
- Add Tina Shahani, Management Analyst III.

FISCAL IMPACT
There is no fiscal impact associated with this action.

ACTION TO BE TAKEN FOLLOWING APPROVAL

Upon approval by the Board of Directors, SJ Health staff will submit the updated signature form to BMO to update the authorized signers for the payroll and operating accounts.

10100 Trinity Parkway, Suite 100
Stockton, CA 95219
Office: (209) 953-3700
Fax: (209) 953-9195
www.sjhealth.org

SJ HEALTH
San Joaquin Health Centers

August 17, 2026

Board of Directors
A.G. Spanos Building
Stockton, CA 95219

Dear Board Members,

Acceptance of Health Resources and Services Administration New Access Points Award and Transition to Federally Funded Health Center

RECOMMENDATION

It is recommended that the Board of Directors approve acceptance of the $650,000 New Access Points (NAP) award from the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA), for the period of August 1, 2026 through July 31, 2027, and authorize the Chief Executive Officer of San Joaquin Health (SJ Health) to take the actions necessary to implement the award and comply with its terms and conditions.

REASON FOR RECOMMENDATION

San Joaquin Health (SJ Health) operates community health centers in San Joaquin County and is jointly governed by the County of San Joaquin and the San Joaquin Health Centers Board of Directors, which serves as the HRSA-required Co-Applicant.

On July 23, 2026, HRSA issued a Notice of Award approving $650,000 in New Access Points (NAP) funding for SJ Health for the period of August 1, 2026 through July 31, 2027. The purpose of the award is to support new access points and provide primary health services at the sites identified in SJ Health's approved NAP application.

This award represents a significant milestone for SJ Health. With the NAP award, HRSA transitions SJ Health from a Federally Qualified Health Center Look-Alike (FQHC-LAL) to a federally funded Health Center (H80) and removes the organization's Look-Alike designation. The sites included in SJ Health's existing Look-Alike scope and NAP application will become part of the H80 scope of project, subject to completion of required HRSA scope verification activities.

The transition to H80 status establishes SJ Health as a funded Health Center under Section 330 of the Public Health Service Act and provides access to federal Health Center Program funding. The transition also establishes additional federal program requirements, including compliance with Health Center Program requirements, federal reporting obligations, site implementation requirements, and preparation for an HRSA operational site visit.

As a condition of the award, SJ Health must submit a Compliance Achievement Plan within 120 days of the award release date and complete required verification activities for approved services and sites. The approved sites must also be operational within 120 days of the Notice of Award. Continued funding

10100 Trinity Parkway, Suite 100
Stockton, CA 95219
Office: (209) 953-3700
Fax: (209) 953-9195
www.sjhealth.org

beyond the one-year NAP period is subject to the availability of funds, satisfactory performance, compliance with award requirements, and submission of a subsequent Service Area Competition application.

Approval by the Board of Directors, as the Co-Applicant, will authorize SJ Health to proceed with implementation of the NAP award and fulfill the governance responsibilities associated with its transition to a federally funded Health Center.

FISCAL IMPACT

The HRSA Notice of Award provides $650,000 in federal funding for the period of August 1, 2026 through July 31, 2027. The federal funds will be incorporated into SJ Health's operating budget and used in accordance with the approved NAP application, applicable Health Center Program requirements, and the terms and conditions of the award.

There is no fiscal impact to the Board of Directors associated with this action.

ACTION TO BE TAKEN FOLLOWING APPROVAL

Upon approval by the Board of Directors, SJ Health will proceed with implementation of the HRSA New Access Points award, including completion of required HRSA deliverables, site verification and operational requirements, preparation for the HRSA operational site visit, and other activities necessary to transition and operate as a federally funded Health Center. The Chief Executive Officer will coordinate with the County of San Joaquin to complete any additional approvals or actions required for implementation of the award.

10100 Trinity Parkway, Suite 100
Stockton, CA 95219
Office: (209) 953-3700
Fax: (209) 953-9195
www.sjhealth.org

SJ HEALTH
San Joaquin Health Centers

Minutes of July 28, 2026
San Joaquin Health Centers Board of Directors

Board Members Present: Brian Heck (Board Chair), Samantha Monks (Vice Chair), Rick Ledo, Destiny Easter, James Myers, Patricia Barrett, Nora Hana, Jodie Moreno, Jayvin Herrejon, David Ziolkowski, Mark Myles,
Excused Absent: Cassandra Lacondeguy
Unexcused Absent: None
SJHC Staff: Ahad Yousuf (CEO), Dr. Diulio, Alison Shih, Vanessa Garibay (Clerk of the Board)
Guests: Matt Garber; Genevieve Valentine, Brandi Hopkins, Kim Cuellar
Legal Counsel: Lisa Ribeiro

AGENDA ITEM	ATTACHMENTS	ACTION
I. Commencement/Call to Order (Brian Heck) The meeting was called to order at 5:30 p.m. A quorum was established.	No attachment	No action required
II. Public Comment No public comments were made.	No attachment	No action required
III. Consent Calendar (Brian Heck) 1. The consent calendar for July 28, 2026, was presented. 2. A motion was made to approve the Minutes of the June 30, 2026 Board Meeting and the July 2026 Credentialing Report.	July Credentialing Report Attached	1. Patt motioned to accept; Mark seconded; Jayvin abstained; motion passed 9-0
IV. Action Items **1. Acceptance of the FY 2025 Financial Audit** Alison Shih, Management Services Administrator, presented highlights of the FY 2025 Financial Audit and reviewed the corrective action plan developed to address the internal control observations identified during the audit. Audit Observations: - Information Technology Controls - Billing Process Controls - Credit Card Documentation Management is committed to strengthening internal controls and will monitor implementation of the corrective actions to ensure continued compliance. Progress updates will be provided to the Board, as appropriate, until all corrective actions have been completed. **2. Acceptance of the May 2026 Finance Report** Alison Shih presented the May 2026 Finance Report for Board acceptance.	FY 2025 Financial Audit Attached May 2026 Finance Report Attached	1. Patt motioned to accept; David seconded; motion passed 10-0 2. Patt motioned to accept; Samantha seconded; motion passed 10-0

10100 Trinity Parkway, Suite 100
Stockton, CA 95219
Office: (209) 953-3700
Fax: (209) 953-9195
www.sjhealth.org

Jodie Moreno asked what was included in the "Miscellaneous" category of the financial presentation. Alison will provide a detailed breakdown at the next Board meeting. Destiny Easter asked whether filling current vacancies would reduce the organization's salary savings. Alison explained that the favorable variance is largely due to approximately 41 vacant positions, primarily Medical Assistants, and that the vacancies are not considered a favorable long-term outcome. Samantha Monks added that with improved staffing levels, the organization would be able to see more patients, resulting in increased revenue that would offset higher staffing costs. 3. **Approval of Additions and Deletions of Authorized Officer for BMO Operating and Payroll Accounts / BMO Corporate Resolution** Alison Shih requested Board approval to update the list of authorized officers and account signers for the BMO operating and payroll accounts. Patricia Barrett motioned to approve the removal of Stacy Lynn Ferreira, Rachna Sharma, Kristopher Zuniga, and Farhan Fadoo as authorized signers for the BMO Operating and Payroll Accounts and to approve the addition of Ahad Yousuf, Alison Shih, Genevieve Valentine, and Isaiah Lilly as authorized signers. . 4. **Review and Approval of Board Candidate - Cymone Reyes** The Board considered the appointment of Ms. Cymone Reyes as a patient member of the San Joaquin Health Centers Board of Directors, effective immediately. Upon approval, Board membership records will be updated, and Ms. Reyes will be scheduled to participate in Board orientation and onboarding. Jodie Moreno asked whether the Board wished to review Ms. Reyes' application. The Board elected to receive a high-level overview rather than review the full application. Brian Heck noted that, for privacy reasons, the application was not included in the Board packet.		3. Patt motioned to accept; Mark seconded; motion passed 10-0 4. Patt motioned to accept; Mark seconded; motion passed 10-0
V. **<u>Discussion Items (Brian Heck)</u>** 1. **Board Chair Report** No additional report was provided. 2. **Credentialing Presentation**	Credentialing Presentation Attached	No action required

10100 Trinity Parkway, Suite 100
Stockton, CA 95219
Office: (209) 953-3700
Fax: (209) 953-9195
www.sjhealth.org

Kim Cuellar presented an overview of the credentialing process to help Board members better understand the credentialing responsibilities of the governing board and the significance of approving initial appointments and reappointments of clinical staff. When approving credentialing, the Board confirms that: - Required credentialing standards have been met. - Clinical privileges are appropriate. - The Credentialing Committee recommends approval. - The practitioner is qualified to provide care at San Joaquin Health Centers. Patricia Barrett asked what liability the Board would have in the event of a malpractice claim. Dr. Diulio explained that Board members are protected under the organization's Board liability and malpractice insurance coverage.		
3. CMO Report Dr. Diulio provided operational updates, including: - Continued monitoring of patient visit volume and access trends as staffing stabilizes. - Advancement of recruitment efforts for a pediatrician candidate, nurse manager finalist, and a second chiropractor. - Continued documentation improvements and workflow optimization. - Preparation for the August Pediatrics meeting with St. Joseph's regarding the direct admission process. - Ongoing Health Informatics collaboration, including evaluation of the AI scribe pilot and provider workflow. - Collaboration with Quest Diagnostics on implementation planning for HPV self-swab testing. - Continued operational improvements within Correctional Health Services, including after-hours reviews and Emergency Department audit processes.	CMO Report Attached	
4. CEO Report Ahad Yousuf provided organizational updates and discussed the following priorities: - Advancing the Lodi Access Center into the construction phase. - Completing the Quality Improvement Program (QIP) audit. - Continuing discussions with HRSA regarding the New Access Point award. - Recruiting for key leadership positions.	CEO Report Attached	

10100 Trinity Parkway, Suite 100
Stockton, CA 95219
Office: (209) 953-3700
Fax: (209) 953-9195

- Implementing operational modernization initiatives. - Expanding community-based services. - Finalizing the organization's next strategic plan. Ahad also shared that leadership will present a six-month action plan, beginning with April initiatives, at the next Board meeting. The Board will also review and formally approve the organization's strategic plan. Rick Ledo asked when the new Flu vaccine would become available for Board members, noting that patient Board members may benefit from receiving the vaccine		
I. **Board Comments** Jodie Moreno requested that the most recent Bylaws Committee meeting minutes be shared with the Board. Going forward, the process will be to distribute a draft of proposed bylaw revisions to the Board, followed by a second draft for review and discussion. A Board Chair interest survey will be distributed in September to determine which leadership positions Board members are interested in serving. A Board Training Manual will also be shared with members. The manual will provide guidance for both current and new Board members, including voting procedures, abstentions, and general Board governance expectations. A Behavioral Health presentation is planned for the next Board meeting and will include information on BUD/BH services, the BeWell Campus, and a service flowchart outlining all programs.	No attachments	No action required
II. **Calendar (Brian Heck)** The next board meeting will be August 25, 2026, at 5:30 PM.	No attachments	No action required
III. **Adjournment (Brian Heck)** There being no further discussion, the meeting was adjourned at 6:54 PM.	No attachments	No action required

10100 Trinity Parkway, Suite 100
Stockton, CA 95219
Office: (209) 953-3700
Fax: (209) 953-9195
www.sjhealth.org

INITIAL APPOINTMENTS
July 2026

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 July 2026	Glorofino Juan NP	Nurse Practitioner	Requirements for active staff met	None	Active 07/26-07/27	CRED: 07/10/2026 MED: 07/15/2026 BOARD: 07/28/2026	SJHEALTH MED STAFF
INITIAL APPOINTMENT July 2026	Henna Asrar MD	Primary Medcine	Requirements for active staff met	None	Active 07/26-07/27	CRED: 07/10/2026 MED: 07/15/2026 BOARD: 07/28/2026	SJHEALTH MED STAFF

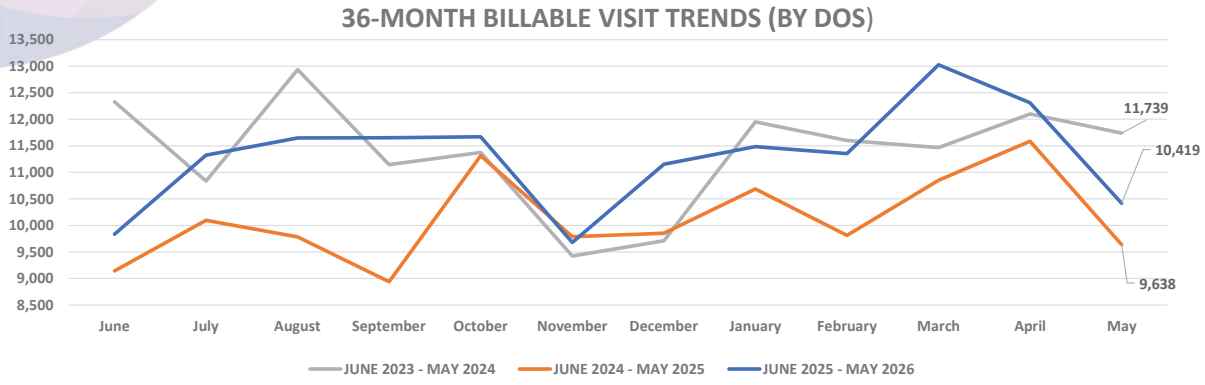
REAPPOINTMENTS
July 2026

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 July 2026	Felipe Chavez MD	Family Medicine	Requirments for active staff met	NONE	Active 07/26-07/28	CRED: 07/10/2026 MED: 07/15/2026 BOARD: 07/28/2026	SJHEALTH MED STAFF
Reappointment July 2026	Hector Ley-Han	Family Medicine	Requirments for active staff met	NONE	Active 07/26-07/28	CRED: 07/10/2026 MED: 07/15/2026 BOARD: 07/28/2026	SJHEALTH MED STAFF
Reappointment July 2026	Jahnavi Kurupati MD	Internal Medicine	Requirments for active staff met	NONE	Active 07/26-07/28	CRED: 07/10/2026 MED: 07/15/2026 BOARD: 07/28/2026	SJHEALTH MED STAFF

SAN JOAQUIN HEALTH CENTERS
FINANCE PRESENTATION
MAY 2026 FINANCIAL STATEMENTS

Alison Shih
Management Services Administrator
Presentation Date: 7/28/2026



FY26 Visits By Financial Class	Actual
Medi-Cal Managed Care	78.61%
Medicare	11.44%
Medi-Cal	6.27%
Commercial	2.57%
Self-Pay	1.11%
Total	100.00%

FY26 Month	Actual	Budget	Variance
Jul-25	11,323	11,586	(263)
Aug-25	11,649	11,062	587
Sep-25	11,653	11,052	601
Oct-25	11,671	12,109	(438)
Nov-25	9,679	8,956	723
Dec-25	11,153	11,576	(423)
Jan-26	11,484	10,535	949
Feb-26	11,352	10,005	1,347
Mar-26	13,027	11,589	1,438
Apr-26	12,312	11,587	725
May-26	10,419	10,537	(118)
Total	125,722	120,594	5,128

SJ HEALTH INCOME STATEMENT – MAY 2026

	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	1,878,956	1,939,249	(60,293)	23,165,524	22,168,840	996,684
Supplemental Revenue	2,280,922	2,280,922	0	25,090,147	25,090,147	0
Capitation Revenue	387,728	458,333	(70,605)	4,563,470	5,041,667	(478,196)
Managed Care Incentives	45,000	79,000	(34,000)	801,800	1,469,000	(667,200)
Grant Revenue	105,836	131,719	(25,882)	1,003,658	887,505	116,153
340B Pharmacy Program	235,516	233,333	2,183	2,015,326	2,566,667	(551,341)
MOU & Other Income	97,989	64,556	33,433	1,686,991	1,580,444	106,547
Total Operating Revenue	5,031,948	5,187,113	(155,165)	58,326,916	58,804,269	(477,353)
Expenditures						
Salaries & Wages	2,072,499	2,374,310	301,811	19,798,617	26,866,197	7,067,580
Employee Benefits	1,034,557	1,286,076	251,519	10,188,448	14,576,484	4,388,037
Professional Fees	397,041	541,653	144,611	5,488,325	5,958,178	469,853
Purchased Services	269,734	267,577	(2,157)	2,929,789	2,943,347	13,558
Supplies	162,812	160,577	(2,235)	1,914,114	1,766,352	(147,763)
Depreciation	54,250	53,608	(642)	647,751	589,686	(58,065)
Interest	963	1,219	256	13,720	13,406	(314)
Office Expense	1,732	1,667	(65)	17,107	18,334	1,227
Dues, Subscription & Fees	147,890	127,119	(20,771)	1,497,086	1,398,307	(98,779)
Repairs & Maintenance	64,882	65,525	643	719,719	720,775	1,056
Telephone & Internet	13,306	20,599	7,293	156,652	226,591	69,939
Advertising & Promotions	12,179	5,024	(7,156)	33,465	55,259	21,793
Travel & Training	20,417	33,162	12,745	409,811	364,777	(45,034)
Insurance	35,558	35,120	(437)	432,903	386,325	(46,579)
Utilities	121,907	130,577	8,670	1,342,432	1,436,347	93,915
Rent	112,609	116,226	3,616	1,160,713	1,278,482	117,769
Miscellaneous	84,932	33,864	(51,069)	485,456	372,501	(112,955)
Total Expenditures	4,607,268	5,253,900	646,632	47,236,110	58,971,348	11,735,238
Net Income(Loss)	424,680	(66,788)	491,468	11,090,806	(167,078)	11,257,884

SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS MAY 2026
(ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

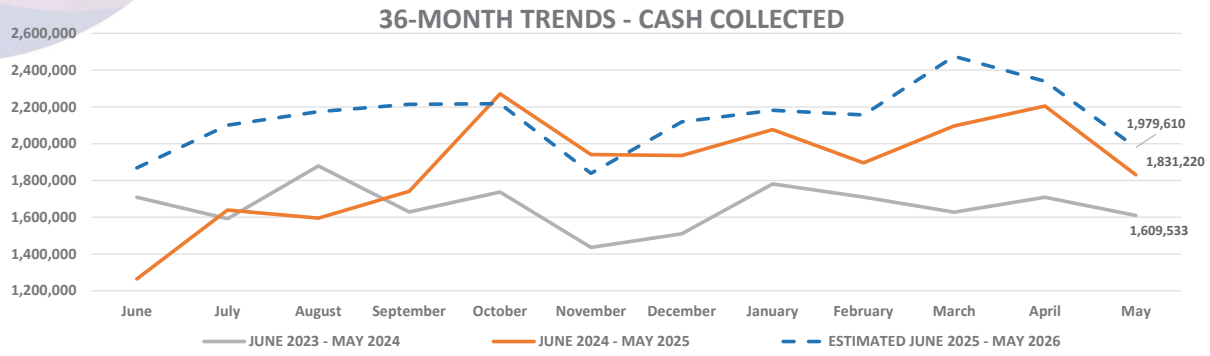
Income Statement Grouping	Current Period Actual	Current Period Budget - Original	Current Period Budget Variance - Original	% Variance	May 2026 - Variance Explanations
Revenues					
Capitation Revenue	387,728	458,333	(70,605)	-15%	Unfavorable variance mainly due to decline in membership panel size.
Managed Care Incentives	45,000	79,000	(34,000)	-43%	Unfavorable mainly due to lower HEDIS Gap Closure Block Access revenue accrued for May based on the updated contract terms effective January 2026.
Grant Revenue	105,836	131,719	(25,882)	-20%	Unfavorable variance mainly due to budgeted $90K Sunlight Giving grant in May. The actual payment for Sunlight Giving grant already received and its revenue was recognized in March.
MOU & Other Income	97,989	64,556	33,433	52%	Favorable variance mainly due to MOU chargeback $48K higher than budget and offset by unfavorable interest income $14K lower than budget.
Expenditures					
Salaries & Wages	2,072,499	2,374,310	301,811	13%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual May 2026 FTEs for direct hire positions are 198 compared to budgeted FTEs for 239.
Employee Benefits	1,034,557	1,286,076	251,519	20%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual May 2026 FTEs for direct hire positions are 198 compared to budgeted FTEs for 239.
Professional Fees	397,041	541,653	144,611	27%	Favorable variance mainly due to actual activity lower than budgeted for contracted medical staff.
Dues, Subscription & Fees	147,890	127,119	(20,771)	-16%	Unfavorable mainly due to subscription costs higher than budgeted.
Telephone & Internet	13,306	20,599	7,293	35%	Favorable variance due to actual telecommunication expenses lower than budget.
Advertising & Promotions	12,179	5,024	(7,156)	-142%	Unfavorable variance mainly due to actual activity higher than budgeted.
Travel & Training	20,417	33,162	12,745	38%	Favorable due to actual travel expenses lower than budget in May.
Miscellaneous	84,932	33,864	(51,069)	-151%	Unfavorable variance related to higher than anticipated recruiting and minor equipment expenses.

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

Income Statement Grouping	Current Period Actual	Current Period Budget - Original	Current Period Budget Variance - Original	% Variance	YTD - Variance Explanations
Revenues					
Managed Care Incentives	801,800	1,469,000	(667,200)	-45%	Unfavorable due to the budgeted $600K for PCP Hedis Incentive revenue for CY2024, which has been accrued in FY25, and lower revenue accrued based on the updated HEDIS Gap Closure Block Access contract terms effective January 2026.
Grant Revenue	1,003,658	887,505	116,153	13%	Favorable variance due to actual ARPA grant revenue higher than budget along with recognizing unbudgeted Binational Health grant revenue, and offset by budgeted HRSA CPF Lodi grant revenue.
340B Pharmacy Program	2,015,326	2,566,667	(551,341)	-21%	Unfavorable variance mainly due to increasing manufacturer restrictions and Inflation Reduction Act effective January 2026.
Expenditures					
Salaries & Wages	19,798,617	26,866,197	7,067,580	26%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual May 2026 FTEs for direct hire positions are 198 compared to budgeted FTEs for 239.
Employee Benefits	10,188,448	14,576,484	4,388,037	30%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual May 2026 FTEs for direct hire positions are 198 compared to budgeted FTEs for 239.
Telephone & Internet	156,652	226,591	69,939	31%	Favorable variance due to actual telecommunication expenses lower than budget.
Advertising & Promotions	33,465	55,259	21,793	39%	Favorable due to actual advertising expenses lower than budget.
Travel & Training	409,811	364,777	(45,034)	-12%	Unfavorable variance mostly due to higher than anticipated travel expenses related to contracted medical staff not budgeted.
Insurance	432,903	386,325	(46,579)	-12%	Unfavorable variance mainly related to higher than anticipated malpractice insurance expenses for contracted medical staff.
Miscellaneous	485,456	372,501	(112,955)	-30%	Unfavorable variance related to higher than anticipated recruiting and minor equipment expenses.

SJ HEALTH BALANCE SHEET- MAY 2026

	FY2025 JUNE 30, 2025 (UNAUDITED)	FY2026 FQE SEPTEMBER 30, 2025	FY2026 FQE DECEMBER 31, 2025	FY2026 FQE MARCH 31, 2026	FY2026 AS OF APRIL 30, 2026	FY2026 AS OF MAY 31, 2026
Assets						
Cash & Cash Equivalents	32,994,295	32,464,668	32,491,874	31,321,739	30,852,603	31,206,777
Accounts Receivable	2,282,608	2,123,851	1,054,695	1,063,088	1,237,237	1,252,371
Property & Equipment	2,323,595	2,169,907	2,024,634	1,853,638	1,803,581	1,749,331
Other Assets	15,901,518	21,608,100	26,515,520	32,462,165	34,424,920	35,981,523
Total Assets	53,502,017	58,366,527	62,086,722	66,700,630	68,318,341	70,190,002
Liabilities						
Accounts Payable	1,607,815	860,296	1,746,813	1,561,361	1,250,586	1,563,212
Other Liabilities	5,947,579	8,175,594	7,921,275	8,672,525	8,980,445	9,514,800
Deferred Revenue	0	0	0	600,000	1,200,000	1,800,000
Total Liabilities	7,555,394	9,035,890	9,668,087	10,833,886	11,431,031	12,878,012
Net Assets						
Unrestricted Net Assets	38,960,214	44,274,146	44,274,146	44,274,146	44,274,146	44,274,146
Restricted Net Assets	1,672,477	1,672,477	1,722,042	1,723,038	1,947,038	1,947,038
Current YTD Net Income	5,313,932	3,384,015	6,422,447	9,869,560	10,666,126	11,090,806
Total Net Assets	45,946,622	49,330,638	52,418,635	55,866,744	56,887,310	57,311,990
Total Liabilities and Net Assets	53,502,017	58,366,527	62,086,722	66,700,630	68,318,341	70,190,002



FY26 Collections By Financial Class	%
Medicaid	94.67%
Medicare	4.83%
Self-Pay	0.29%
Commercial	0.21%
Total	100.00%

NOTE: COLLECTIONS FROM JUNE 2025 THROUGH MAY 2026 HAVE BEEN ESTIMATED BASED ON THE HISTORICAL COLLECTIONS TREND. INCREASE IN COLLECTIONS FROM JUNE 2025 THROUGH MAY 2026 IS DUE TO THE IMPLEMENTATION OF INTERMITTENT CLINIC STRATEGY IN SEPTEMBER 2024.

CAPITAL LINK FQHC FINANCIAL BENCHMARKS VS SJ HEALTH

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%	**19.0%**
2 Bottom Line Margin As a % of Operating Revenue	**>3%**	6%	6%	10.1%	**19.0%**
3 Days Cash on Hand	**>60 Days**	105	129	259	**224**
4 Days in Net Patient Receivables	**<45 Days**	36	39	37	**30**
5 Personnel-Related Expense (PRE) As a % of Operating Revenue	**<70%**	69%	72%	72%	**66%**

San Joaquin Health Centers

Financial Statement Comments

May 2026

Summary of FQHC Performance: Fiscal Year-to-Date

Year-to-date (YTD) billable visits as of May are favorable to budget by 5,128 visits. Net Patient Service Revenues for May are unfavorable to budget by $60,293. YTD financials reflect an estimated PPS liability accrual of $275,000. YTD financials include Medi-Cal payment for $139,334 for FY2023 PPS liabilities due to DHCS. Also, YTD financials include Medi-Cal payment for $307,979 for FY2022 PPS receivable due from DHCS.

Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of $25,090,147. Also, YTD financials include Capitation Revenue for $4,563,470 and 340B Pharmacy program revenue for $2,015,326. Grant Revenues include ARPA, Sunlight Giving, and Binational Health grant revenues for $1,003,658. YTD financials include Hedis Gap Closure incentive revenues recorded for $801,800 for July through May health care services. In FY26, SJ Health Centers received the HEDIS incentive payment for $1,770,427 for CY2024 which has been reported on the FY26 balance sheet, and the related incentive revenue has been accrued in FY25.

Other Revenue includes revenues accrued for $642,434 related to Purchased Services provided to SJGH by SJHC per the MOU. Interest income for $1,025,661 has been reflected on the financials, which is unfavorable compared to budget by $4,784. YTD financials include refund record for $18,557 in April 2026 pertaining to the health insurance reserve amount held with NonStop Health due to termination of the service contract.

Total Operating Revenue is unfavorable to budget by $477,353 primarily due to favorable variance in revenues for $1,224,167 related to patient services, SJGH Chargebacks per MOU, other income, and grants higher than budget offset by unfavorable revenues for $1,701,520 related to Physician Capitation, 340B Pharmacy Program, Interest Income, and HEDIS incentive revenue. FY26 budget includes $600,000 related to the HEDIS incentive payment for CY2024 which has been accrued as revenue in FY25.

Salaries and Benefits expenses exhibit a favorable variance to budget by $11,455,617 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 a favorable variance of $279,621 largely due to an unfavorable variance for $509,488 for Supplies, Depreciation, Interest, Dues, Travel, Insurance and Miscellaneous expenses offset by a favorable variance of $789,109 reflected in the Professional Fees, Purchased Services, Office, Repairs, Telephone, Advertising, Utilities, and Rent expense categories. An estimated accrual for the Purchased Services is recorded from July through May based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by $11,735,238.

Unaudited, as presented, YTD Net Income of $11,090,806 represents a favorable variance of $11,257,884 as compared to budgeted Net Loss of $167,078. 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 $1,947,038 as of May 2026.

Credentialing & Privileging

SJHEALTH

Credentialing & Privileging

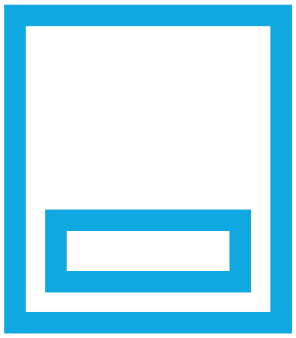
Objective: To help you understand the Credentialing process and what it means when the governing board votes to approve clinical initial and reappointed staff.

Credentialing: Is the process of assessing and confirming the qualifications of a clinical staff member, before hiring and every 1-2 years.

SJHEALTH ensures that all clinical staff who are employed by, contracted with, or volunteer at the health center meet established credentialing, privileging, and performance standards before providing direct patient care.

Privileges: Is the formal process of defining and documenting the specific clinical procedures, treatments, and services that a healthcare provider authorized to perform within a healthcare organization.

Final Approval Authority: The Credentialing Committee's recommendation shall be forwarded to the Governing Board for final action. The Governing Board shall approve, deny, or defer the practitioner's initial appointment and request clinical privileges. Appointment and clinical privileges become effective only upon final approval by the Governing Board or its authorized designee, in accordance with SJHEALTH policy.



Credentialing Committee

Credentialing Committee: The Credentialing Committee meets monthly and consists of department chairs representing their respective specialties, including Family Medicine, Pediatrics, and Obstetrics & Gynecology.

The Credentialing Committee shall review the completed credentialing file

- ❑ Evaluate the practitioner's qualifications
- ❑ Primary source verification
- ❑ Requested clinical privileges, and any identified concerns

Upon completion of its review, the Committee shall vote to recommend approval, denial, or deferral of the practitioner's initial appointment and requested clinical privileges. The Committee's recommendation shall be documented in the meeting minutes.

Primary Source Verification

How Privileges are confirmed:

Verification by the original source of a specific credential of the accuracy of a qualification reported by an individual health care practitioner.

Primary source verification confirms the accuracy of:

- Current state of California Licensure
- Relevant education, training, or experience
- Current competence in the form of Peer Reference
- Fitness of Duty (determined by occupational health testing

Secondary source verification:

- Government issued photo Identification
- Drug Enforcement Administration {DEA}
- Immunization and PPD status
- Life support training

Initial and Reappointment

Initial Appointment: The first-time appointment of a provider to the SJHEALTH Medical Staff is based on education, training, experience, current competence, and demonstrated ability, following the credentialing and privileging process.

When we are seeking to approve an initial appointment that means:

1. The practitioner has cleared the primary source verification clearance
2. The practitioner has been approved by our Credentialing Committee
3. The board has the final approval

The initial appointment approval is valid for the practitioner's first year of employment at SJHEALTH. Prior to the expiration of the initial appointment, the practitioner must undergo the reappointment process to maintain Medical Staff employment and clinical privileges.

Re-Appointment (every two years): Focuses on Peer Review and corrective action plans.

Initial Appointment vs Reappointment

Initial Appointment	Reappointment
New Provider	Every 2 years
Complete credential review	Ongoing competency review
Primary source verification	Continued licensure & competency verification
Initial privileges granted	Privileges renewed or modified

Final Approval Authority

Upon completion of its review, the Committee shall vote to recommend approval, denial, or deferral of the practitioner's initial appointment and requested clinical privileges. The Credentialing Committee's recommendation shall be forwarded to the Governing Board for final action.

The Governing Board shall approve, deny, or defer the practitioner's initial appointment and request clinical privileges.

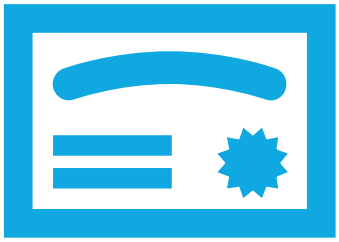
Appointment and clinical privileges become effective only upon final approval by the Governing Board or its authorized designee, in accordance with SJHEALTH policy.

What the Board is Voting On

When you approve credentialing, you are confirming that:

- ✓ Required credentialing standards have been met
- ✓ Clinical privileges are appropriate
- ✓ Credentialing Committee recommends approval
- ✓ The practitioner is qualified to provide care at SJ Health

The Board provides the final authorization for appointment and privileges.



Chief Medical Officer Report – Key Updates
July 2026

Clinical Operations and Access

Systemwide visit volume remained generally steady in July compared to June. Similar access pressures continued during the month, largely related to provider time off and ongoing staffing limitations. Despite these challenges, underlying patient demand remains strong, and access is expected to improve as staffing stabilizes.

Documentation follow-up efforts expanded in July beyond chart completion to also include provider desktop management. This broader focus is intended to improve documentation timeliness, reduce desktop burden, and support more consistent clinical operations across the system.

Workforce and Recruitment

Workforce stabilization and recruitment remained key priorities in July. The overall workforce picture remained similar to June, with continued efforts to strengthen staffing over time. An initial interview was completed with a pediatrician candidate from Michigan, and an in-person interview is planned as the next step.

The next round of nurse manager interviews was also completed, and one candidate will be brought back for a second interview. Recruitment efforts for chiropractic services also advanced significantly. A second chiropractor is expected to sign a conditional job offer. She is currently practicing in an FQHC setting and also treats pediatric and prenatal patients. Preparations are underway to support onboarding, including completion of flooring work at the Stockton clinic and procurement of a shorter drop table.

Behavioral Health Integration

Behavioral health integration continued to move forward during July. Referral workflows and related processes remain in place following prior provider education, and ongoing focus remains on improving behavioral health access, referral consistency, and provider comfort with psychiatric care coordination.

Hospital and Residency Collaboration

Collaboration with St. Joseph's remains an important focus. St. Joseph's is scheduled to present at the August Pediatrics meeting regarding the direct admission process. The long-term goal remains to create a clearer pathway for appropriate pediatric admissions and improve coordination between SJ Health and hospital partners.

July discussions also clarified that the St. Joseph's pediatric wing opened in late March. Collaboration with hospital partners continues as these workflows develop.

Correctional Health Collaboration

Collaboration with Correctional Health Services continued in July as workflows continue to be streamlined following transition. Current focus includes review of after-hours call logs and auditing patients being sent to the Emergency Department in order to strengthen oversight and improve appropriateness of escalation.

Efforts also continue to support smoother operations within the correctional setting, including refinement of workflows and continued clinical oversight.

System Coordination

Cross-department coordination remains an important focus as Healthcare Services continues working to align services across SJ Health, Correctional Health, Behavioral Health, and hospital partners. July efforts reflected continued work to strengthen communication, provider support, workflow efficiency, and operational problem-solving across shared patient populations.

Additional collaboration is also underway with Health Informatics. Some providers are currently using AI scribe tools, and a pilot is now underway with two providers using expanded functionality that can also propose orders during the encounter. If successful, this may support improved documentation and workflow efficiency more broadly. In parallel, our Cerner expert in IT is conducting one-on-one meetings with providers to observe current workflows and identify duplicated work that may be reduced to improve efficiency.

Work is also underway with Quest to bring HPV self-swab testing to patients who do not want to undergo a Pap smear. This has the potential to improve access to cervical cancer screening by allowing testing in real time rather than requiring a second visit, and may be particularly helpful for patients who decline speculum exams or have anatomy that makes traditional screening more difficult.

Outlook

July visit volume remained generally steady compared to June, with continued access pressures primarily related to provider time off and staffing limitations. Access is expected to improve as recruitment advances and onboarding preparations continue.

Progress during July included continued recruitment activity, workflow optimization efforts, preparation for pediatric direct admission collaboration with St. Joseph's, refinement of Correctional Health operations, and innovation work related to documentation efficiency and women's health screening access. These efforts are expected to support improved access, provider efficiency, and system coordination over time.

Next Steps

Continue monitoring visit volume and access trends as staffing stabilizes. Advance recruitment efforts for the pediatrician candidate, nurse manager finalist, and second chiropractor. Continue documentation and desktop follow-up efforts and monitor workflow improvement opportunities.

Prepare for the August Pediatrics meeting with St. Joseph's regarding the direct admission process. Continue Health Informatics collaboration, including evaluation of the AI scribe pilot and provider workflow review. Continue collaboration with Quest on planning for HPV self-swab implementation. Continue operational refinement within Correctional Health Services, including after-hours review and Emergency Department audit processes.

CEO Report – July 28, 2026 Board Meeting

Executive Summary

The organization continues to demonstrate stable operational performance while advancing several strategic initiatives that strengthen long-term sustainability and expand access to care. Highlights this month include continued progress on the Lodi Access Center project, positive developments regarding potential federal Health Center funding, successful completion of another strong operational month, and continued growth in our Street Medicine and Enhanced Care Management programs.

Organizational Performance

Operational performance remained strong throughout June, with daily visits averaging 554 and total monthly visits reaching 11,241, compared to 10,878 in June 2025. Slot utilization remained high at 79.5%, while no-show rates held steady at 21.7%, reflecting sustained improvements in patient engagement and scheduling efficiency. These performance indicators continue to demonstrate stable operations and consistent access to care despite increasing patient demand.

Strategic, Financial, and Compliance Highlights

The Lodi Access Center project continues to progress on schedule. The lease agreement and the architecture agreement have been fully executed. The next major milestone will be coordination with the City of Lodi to file the required Notice of Federal Interest with the San Joaquin County Recorder's Office and submit documentation to HRSA, satisfying a key federal grant requirement. Construction is expected to begin following execution of the construction agreement and completion of the Notice of Federal Interest process.

The organization also received encouraging news regarding our FY25 New Access Point application. During a recent discussion with our HRSA Project Officer, we were advised that our application is viewed very favorably and that the likelihood of receiving funding is high. If awarded, San Joaquin Health would transition from a Federally Qualified Health Center Look-Alike to a fully funded Section 330 Health Center. This designation would provide a stable federal funding source to support operations, expand access to care, strengthen long-term financial sustainability, and enhance our ability to recruit providers and invest in services for our community. We will continue to keep the Board informed as additional information becomes available.

Quality and compliance efforts also continue to perform exceptionally well. The organization is currently undergoing the QIP PY8 CY2025 audit, with completion anticipated by mid-September. No issues have been identified to date, and successful completion of the audit will validate our previously reported 100% performance score, allowing DHCS to release associated supplemental funding.

Workforce, Culture, and Community Impact

As we close out FY2025–26, our community-based programs continue to demonstrate meaningful impact. The Mobile Health Program expanded this year with the addition of a dedicated nurse practitioner, increasing access to care for residents experiencing homelessness. During the fiscal year, the team served nearly 700 unsheltered individuals, conducted more than 500 community

outreach events and over 500 encampment visits, while connecting patients to primary care, behavioral health, and supportive services.

Our Enhanced Care Management and Community Supports programs also continued to expand their reach, enrolling more than 100 high-risk patients in ECM, helping over 180 individuals obtain interim or permanent housing, and connecting dozens of patients to behavioral health services through coordinated multidisciplinary care. These programs continue to demonstrate the organization's commitment to addressing both the medical and social drivers of health.

Recruitment remains a priority. We continue to interview candidates for the Nursing Department Manager position, which will provide operational leadership across all clinic locations. In addition, recruitment for the newly approved Deputy Director of Clinical Operations and Deputy Director of Administrative Operations positions will begin in August. These leadership positions are critical investments that will strengthen operational oversight, improve organizational capacity, and support continued growth.

Board Education – Patient Majority Requirement

As part of our ongoing governance education, I would like to briefly review one of HRSA's core board composition requirements. Federal regulations require that at least 51% of the governing board be patients of the health center. Patient board members must, as a group, reasonably represent the demographic and socioeconomic characteristics of the patients served by San Joaquin Health.

For HRSA purposes, a patient is an individual who has received at least one in-scope health center service within the previous 24 months that generated a qualifying health center visit. In addition, HRSA permits certain individuals to qualify as patient board members even if they did not personally receive care. This includes a legal guardian of a dependent child or dependent adult who is a patient, an individual with legal authority to make healthcare decisions on behalf of a patient, or a legal sponsor under federal immigration law.

The Board currently consists of 12 members, of whom 4 qualify as patient members, representing approximately 33% patient composition. While this is below the HRSA requirement of at least 51%, leadership and the Governance Committee continue to evaluate current Board membership and future recruitment opportunities to achieve compliance.

For informational purposes, Board members who receive care through San Joaquin Health may qualify as patient members if they receive an in-scope health center service that generates a qualifying health center visit within the previous 24 months. Examples of qualifying services may include:

- A primary care office visit (in-person or telehealth)
- An annual wellness examination or preventive visit
- Immunizations or vaccinations provided by the health center
- Women's health services
- Behavioral health visits

If a Board member believes they may already qualify—or may qualify through a dependent child, legal guardianship, or other HRSA-recognized relationship—we encourage them to notify staff so we can verify eligibility under HRSA guidance.

Forward Look

Over the coming months, leadership will focus on advancing the Lodi Access Center into construction, completing the QIP audit, and continuing discussions with HRSA regarding the New Access Point award. The Board should also expect updates on recruitment for key leadership positions, implementation of operational modernization initiatives, continued expansion of community-based services, and progress toward finalizing the organization's next strategic plan. Together, these efforts position San Joaquin Health for continued operational excellence, expanded access, and long-term organizational sustainability.

INITIAL APPOINTMENTS
August 2026

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 August 2026	Michael Latorraca	Certified Alcohal & Drug Counselor	Requirements for active staff met	None	Active 08/26-08/27	CRED: 08/05/2026 MED: 08/12/2026 BOARD: 08/25/2026	SJHEALTH MED STAFF
INITIAL APPOINTMENT August 2026	Rosemary Gomez	Certified Alcohal & Drug Counselor	Requirements for active staff met	None	Active 08/26-08/27	CRED: 08/05/2026 MED: 08/12/2026 BOARD: 08/25/2026	SJHEALTH MED STAFF
INITIAL APPOINTMENT August 2026	Priscilla McCarthy	Mental Health Specialist II	Requirements for active staff met	None	Active 08/26-08/27	CRED: 08/05/2026 MED: 08/12/2026 BOARD: 08/25/2026	SJHEALTH MED STAFF

REAPPOINTMENTS
August 2026

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.

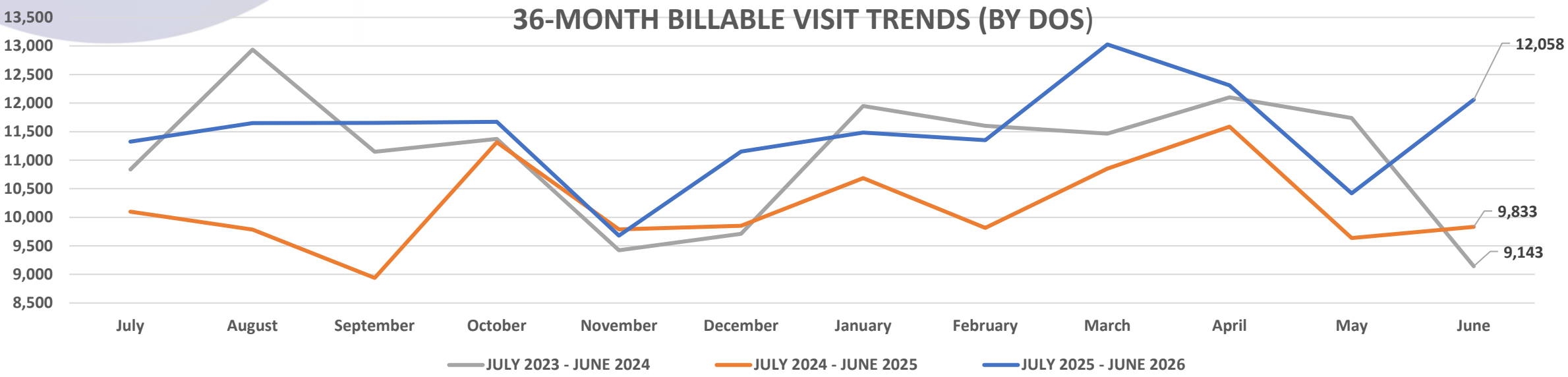
Membership Request	Name	Specialty/ Assigned Div/Dept	Quantitative/Qualitative Factors Request for Privileges and/or Privilege Change	Action Taken/Rec. Exceptions for Cause	Rec. Staff Category/ Reappoint Period	Recommend	Credentialing Dept
Reappointment August 2026	Jung, Syung MD	Internal Medicine	Requirments for active staff met	NONE	Active 08/26-08/28	CRED: 08/05/2026 MED: 08/12/2026 BOARD: 08/25/2026	SJHEALTH MED STAFF
Reappointment August 2026	Manju Govindaram MD	Pediatrics	Requirments for active staff met	NONE	Active 08/26-08/28	CRED: 08/05/2026 MED: 08/12/2026 BOARD: 08/25/2026	SJHEALTH MED STAFF
Reappointment August 2026	Rosemond Nguiffo NP	Nurse Practitioner	Requirments for active staff met	NONE	Active 08/26-08/28	CRED: 08/05/2026 MED: 08/12/2026 BOARD: 08/25/2026	SJHEALTH MED STAFF

SAN JOAQUIN HEALTH CENTERS
FINANCE PRESENTATION
JUNE 2026 FINANCIAL STATEMENTS

Alison Shih

Management Services Administrator

Presentation Date: 8/25/2026



FY26 Visits By Financial Class	Actual
Medi-Cal Managed Care	78.63%
Medicare	11.44%
Medi-Cal	6.29%
Commercial	2.52%
Self-Pay	1.12%
Total	100.00%

FY26 Month	Actual	Budget	Variance
Jul-25	11,323	11,586	(263)
Aug-25	11,649	11,062	587
Sep-25	11,653	11,052	601
Oct-25	11,671	12,109	(438)
Nov-25	9,679	8,956	723
Dec-25	11,153	11,576	(423)
Jan-26	11,484	10,535	949
Feb-26	11,352	10,005	1,347
Mar-26	13,027	11,589	1,438
Apr-26	12,312	11,587	725
May-26	10,419	10,537	(118)
Jun-26	12,058	11,580	478
Total	137,780	132,174	5,606

SJ HEALTH INCOME STATEMENT – JUNE 2026

	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	2,503,492	2,120,661	382,832	25,669,016	24,289,501	1,379,516
Supplemental Revenue	2,280,922	2,280,922	0	27,371,069	27,371,069	0
Capitation Revenue	378,124	458,333	(80,210)	4,941,594	5,500,000	(558,406)
Managed Care Incentives	45,000	79,000	(34,000)	846,800	1,548,000	(701,200)
Grant Revenue	59,527	703,119	(643,591)	1,063,185	1,590,623	(527,438)
340B Pharmacy Program	165,550	233,333	(67,783)	2,180,876	2,800,000	(619,124)
MOU & Other Income	62,674	64,556	(1,882)	1,749,665	1,645,000	104,665
Total Operating Revenue	5,495,290	5,939,924	(444,634)	63,822,206	64,744,194	(921,987)
Expenditures						
Salaries & Wages	1,806,137	2,471,492	665,355	21,604,754	29,337,690	7,732,936
Employee Benefits	1,025,862	1,336,187	310,325	11,214,309	15,912,671	4,698,362
Professional Fees	420,372	541,651	121,279	5,908,697	6,499,829	591,132
Purchased Services	276,993	267,577	(9,416)	3,206,782	3,210,924	4,141
Supplies	177,785	160,573	(17,213)	2,091,899	1,926,924	(164,975)
Depreciation	54,250	53,607	(643)	702,001	643,293	(58,708)
Interest	905	1,219	314	14,625	14,625	0
Office Expense	1,455	1,667	212	18,562	20,000	1,438
Dues, Subscription & Fees	142,118	127,117	(15,001)	1,639,205	1,525,424	(113,781)
Repairs & Maintenance	65,093	65,525	432	784,812	786,300	1,488
Telephone & Internet	14,105	20,599	6,494	170,757	247,189	76,432
Advertising & Promotions	17,667	5,023	(12,644)	51,132	60,282	9,150
Travel & Training	25,322	33,161	7,839	435,133	397,939	(37,194)
Insurance	38,489	35,120	(3,368)	471,392	421,445	(49,947)
Utilities	110,903	130,577	19,673	1,453,336	1,566,924	113,588
Rent	115,906	116,225	319	1,276,619	1,394,707	118,087
Miscellaneous	74,621	33,861	(40,759)	560,077	406,363	(153,714)
Total Expenditures	4,367,984	5,401,180	1,033,197	51,604,093	64,372,528	12,768,435
Net Income(Loss)	1,127,307	538,744	588,563	12,218,113	371,666	11,846,447

SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS JUNE 2026 (ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

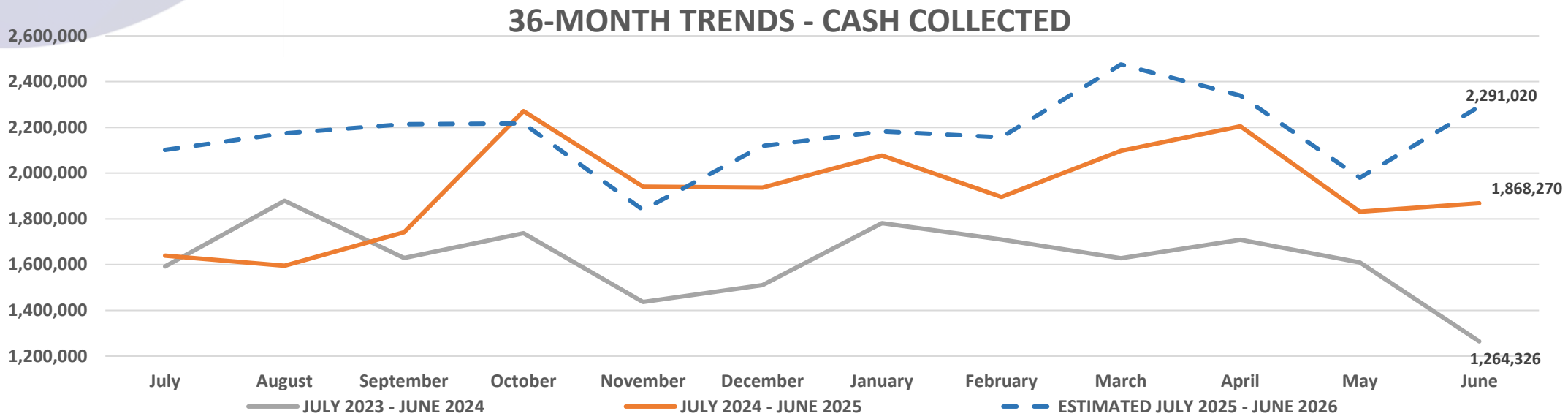
Income Statement Grouping	Current Period Actual	Current Period Budget - Original	Current Period Budget Variance - Original	% Variance	June 2026 - Variance Explanations
Revenues					
Net Patient Service Revenue	2,503,492	2,120,661	382,832	18%	Favorable variance mainly due to visits being higher than budget by 478 visits.
Capitation Revenue	378,124	458,333	(80,210)	-18%	Unfavorable variance mainly due to decline in membership panel size.
Managed Care Incentives	45,000	79,000	(34,000)	-43%	Unfavorable mainly due to lower HEDIS Gap Closure Block Access revenue accrued for June based on the updated contract terms effective January 2026.
Grant Revenue	59,527	703,119	(643,591)	-92%	Unfavorable variance mainly due to budgeted $661K HRSA CPF Lodi grant in June.
340B Pharmacy Program	165,550	233,333	(67,783)	-29%	Unfavorable variance mainly due to increasing manufacturer restrictions and Inflation Reduction Act effective January 2026.
Expenditures					
Salaries & Wages	1,806,137	2,471,492	665,355	27%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual June 2026 FTEs for direct hire positions are 198 compared to budgeted FTEs for 239.
Employee Benefits	1,025,862	1,336,187	310,325	23%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual June 2026 FTEs for direct hire positions are 198 compared to budgeted FTEs for 239.
Professional Fees	420,372	541,651	121,279	22%	Favorable variance mainly due to actual activity lower than budgeted for consulting professional services.
Supplies	177,785	160,573	(17,213)	-11%	Unfavorable variance mainly due to increase in pharmaceutical expenses related to the 340B pharmacy program.
Dues, Subscription & Fees	142,118	127,117	(15,001)	-12%	Unfavorable variance mainly due to unbudgeted subscription costs along with higher than anticipated TPA fees for 340B pharmacy program.
Telephone & Internet	14,105	20,599	6,494	32%	Favorable variance due to actual telecommunication expenses lower than budget.
Advertising & Promotions	17,667	5,023	(12,644)	-252%	Unfavorable variance mainly related to higher actual marketing expenses than budgeted in June.
Travel & Training	25,322	33,161	7,839	24%	Favorable variance due to actual travel and training expenses lower than budget.
Miscellaneous	74,621	33,861	(40,759)	-120%	Unfavorable variance related to higher than anticipated minor equipment along with recording actual security expenses for September 2025 through June 2026 in June 2026.

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

Income Statement Grouping	Current Period Actual	Current Period Budget - Original	Current Period Budget Variance - Original	% Variance	YTD - Variance Explanations
Revenues					
Capitation Revenue	4,941,594	5,500,000	(558,406)	-10%	Unfavorable variance mainly due to decline in membership panel size.
Managed Care Incentives	846,800	1,548,000	(701,200)	-45%	Unfavorable due to the budgeted $600K for PCP Hedis Incentive revenue for CY2024, which has been accrued in FY25, and lower revenue accrued based on the updated HEDIS Gap Closure Block Access contract terms effective January 2026.
Grant Revenue	1,063,185	1,590,623	(527,438)	-33%	Unfavorable variance due to budgeted $1M for HRSA CPF Lodi grant revenue which offset by actual ARPA grant revenue that is higher than budget and recognizing unbudgeted Binational Health grant revenue.
340B Pharmacy Program	2,180,876	2,800,000	(619,124)	-22%	Unfavorable variance mainly due to increasing manufacturer restrictions and Inflation Reduction Act effective January 2026.
Expenditures					
Salaries & Wages	21,604,754	29,337,690	7,732,936	26%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual June 2026 FTEs for direct hire positions are 198 compared to budgeted FTEs for 239.
Employee Benefits	11,214,309	15,912,671	4,698,362	30%	Favorable variance mainly related to vacancies. FY26 salaries and benefits budgeted at 100% employment. Actual June 2026 FTEs for direct hire positions are 198 compared to budgeted FTEs for 239.
Telephone & Internet	170,757	247,189	76,432	31%	Favorable variance due to actual telecommunication expenses lower than budget.
Advertising & Promotions	51,132	60,282	9,150	15%	Favorable variance mainly related to lower actual marketing expenses than budgeted.
Insurance	471,392	421,445	(49,947)	-12%	Unfavorable variance mainly related to higher than anticipated malpractice insurance expenses for contracted medical staff.
Miscellaneous	560,077	406,363	(153,714)	-38%	Unfavorable variance related to higher than anticipated recruiting and minor equipment expenses.

SJ HEALTH BALANCE SHEET- JUNE 2026

	FY2025 JUNE 30, 2025 (AUDITED)	FY2026 FQE SEPTEMBER 30, 2025	FY2026 FQE DECEMBER 31, 2025	FY2026 FQE MARCH 31, 2026	FY2026 AS OF JUNE 30, 2026
Assets					
Cash & Cash Equivalents	32,992,792	32,463,165	32,490,371	31,320,235	51,779,414
Accounts Receivable	2,442,608	2,283,851	1,214,695	1,223,088	1,924,930
Property & Equipment	2,337,808	2,184,120	2,038,847	1,867,851	1,777,268
Other Assets	33,658,486	39,365,068	44,272,488	50,219,132	29,078,228
Total Assets	71,431,694	76,296,205	80,016,400	84,630,307	84,559,840
Liabilities					
Accounts Payable	2,213,346	1,465,827	2,352,344	2,166,892	706,778
Other Liabilities	5,380,714	7,608,729	7,354,409	8,105,660	5,696,305
Deferred Revenue	0	0	0	600,000	1,800,000
Total Liabilities	7,594,060	9,074,556	9,706,753	10,872,552	8,203,083
Net Assets					
Unrestricted Net Assets	38,960,214	62,117,994	62,117,994	62,117,994	62,117,994
Restricted Net Assets	1,719,640	1,719,640	1,769,206	1,770,202	2,020,650
Current YTD Net Income	23,157,780	3,384,015	6,422,447	9,869,560	12,218,113
Total Net Assets	63,837,634	67,221,649	70,309,647	73,757,756	76,356,757
Total Liabilities and Net Asset	71,431,694	76,296,205	80,016,400	84,630,307	84,559,840



FY26 Collections By Financial Class	%
Medicaid	94.57%
Medicare	4.95%
Self-Pay	0.29%
Commercial	0.19%
Total	100.00%

NOTE: COLLECTIONS FROM JULY 2025 THROUGH JUNE 2026 HAVE BEEN ESTIMATED BASED ON THE HISTORICAL COLLECTIONS TREND. INCREASE IN COLLECTIONS FROM JULY 2025 THROUGH JUNE 2026 IS DUE TO THE IMPLEMENTATION OF INTERMITTENT CLINIC STRATEGY IN SEPTEMBER 2024.

SJ Health HRSA Financial Metrics

Financial Metric	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Cumulative Cost Per Unique Patient	1,098	1,315	1,334	1,307	1,422	1,630
Medical Cost per Medical Visit	274	309	324	351	391	380

CAPITAL LINK FQHC FINANCIAL BENCHMARKS VS SJ HEALTH

	DATA SUMMARY	CAPITAL LINK TARGET	2023 NATIONAL MEDIAN	2023 CALIFORNIA MEDIAN	SJ HEALTH FYTD FY25 (AUDITED)	SJ HEALTH FYTD FY26
FINANCIAL HEALTH						
1	**Operating Margin** As a % of Operating Revenue	**>3%**	4%	5%	32.8%	**19.1%**
2	**Bottom Line Margin** As a % of Operating Revenue	**>3%**	6%	6%	32.8%	**19.1%**
3	**Days Cash on Hand**	**>60 Days**	105	129	258	**371**
4	**Days in Net Patient Receivables**	**<45 Days**	36	39	37	**36**
5	**Personnel-Related Expense (PRE)** As a % of Operating Revenue	**<70%**	69%	72%	53%	**66%**

San Joaquin Health Centers

Financial Statement Comments

June 2026

Summary of FQHC Performance: Fiscal Year-to-Date

Year-to-date (YTD) billable visits as of June are favorable to budget by 5,606 visits. Net Patient Service Revenues for June are favorable to budget by $382,832. YTD financials reflect an estimated PPS liability accrual of $300,000. YTD financials include Medi-Cal payment for $139,334 for FY2023 PPS liabilities due to DHCS. Also, YTD financials include Medi-Cal payment for $307,979 for FY2022 PPS receivable due from DHCS.

Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of $27,371,069. Also, YTD financials include Capitation Revenue for $4,941,594 and 340B Pharmacy program revenue for $2,180,876. Grant Revenues include ARPA, Sunlight Giving, and Binational Health grant revenues for $1,063,185. YTD financials include Hedis Gap Closure incentive revenues recorded for $846,800 for July through June health care services. In FY26, SJ Health Centers received the HEDIS incentive payment for $1,770,427 for CY2024 which has been reported on the FY26 balance sheet, and the related incentive revenue has been accrued in FY25.

Other Revenue includes revenues accrued for $702,645 related to Purchased Services provided to SJGH by SJHC per the MOU. Interest income for $1,025,733 has been reflected on the financials, which is unfavorable compared to budget by $19,267. YTD financials include refund record for $18,557 in April 2026 pertaining to the health insurance reserve amount held with NonStop Health due to termination of the service contract.

Total Operating Revenue is unfavorable to budget by $921,987 primarily due to favorable variance in revenues for $1,518,551 related to patient services, SJGH Chargebacks per MOU, other income, and grants higher than budget offset by unfavorable revenues for $2,440,538 related to Physician Capitation, 340B Pharmacy Program, Interest Income, Federal grant and HEDIS incentive revenue. FY26 budget includes $600,000 related to the HEDIS incentive payment for CY2024 which has been accrued as revenue in FY25.

Salaries and Benefits expenses exhibit a favorable variance to budget by $12,431,298 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 a favorable variance of $337,137 largely due to an unfavorable variance for $578,320 for Supplies, Depreciation, Dues, Travel, Insurance and Miscellaneous expenses offset by a favorable variance of $915,457 reflected in the Professional Fees, Purchased Services, Office, Repairs, Telephone, Advertising, Utilities, and Rent expense categories. An estimated accrual for the Purchased Services is recorded from July through June based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by $12,768,435.

Unaudited, as presented, YTD Net Income of $12,218,113 represents a favorable variance of $11,846,447 as compared to budgeted Net Income of $371,666. 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 $2,020,650 as of June 2026.

HRSA New Access Points (NAP) Award & FQHC Designation

08-28-2026 SJCC Board of Directors Meeting

Action Item 4.3

Ahad Yousuf, MD | SJ Health Project Director

SJ HEALTH
San Joaquin Health Centers

NAP Award

- Awarding Agency: Health Resources & Services Administration
- Award Amount: $650K annually
- First Term: Aug 1, 2026 – Jul 31, 2027
- Subsequent Awards via Service Area Competition (SAC) funding
- Purpose: Support expanded access to primary health care through SJ Health's approved Health Center Program sites and services including the addition of an additional Mobile Unit

SJ HEALTH
San Joaquin Health Centers

What This Means for SJ Health

- HRSA confirms that the NAP award removes SJ Health's LAL designation and transitions the organization to a funded H80 Federally Qualified Health Center
- **BEFORE:** *Met Health Center Program requirements as a Look-Alike (LAL) and received many FQHC benefits, but without Section 330 grant funding (Public Health Services Act)*
- **AFTER:** *LAL → FQHC*

SJ HEALTH
San Joaquin Health Centers

What Changes with Section 330 Status

BENEFIT	*LAL*	*FQHC*
FQHC PPS reimbursement	✓	✓
340B drug pricing	✓	✓
Vaccines for Children	✓	✓
National Health Service Corps	✓	✓
HRSA training & technical assistance	✓	✓
Direct HRSA grant funding	—	✓ $650K NAP
Future Section 330 funding opportunities	—	✓ Eligible to compete
FTCA medical malpractice coverage*	—	✓ Eligible
Federal capital loan guarantees	—	✓ Eligible

SJ HEALTH
San Joaquin Health Centers

Two New Federal Benefits

- **FTCA Medical Malpractice Coverage**
  - Federal protection against certain medical malpractice claims for eligible health center services and personnel, **subject to HRSA deeming requirements**. This can reduce SJ Health's exposure to malpractice liability and related costs.
- **Federal Capital Loan Guarantees**
  - Access to federal loan guarantee programs that can support **future capital improvements**, providing SJ Health with an additional financing tool as we grow and expand.

SJ HEALTH
San Joaquin Health Centers

A New Pipeline of Federal Funding

H80 status opens the door to competitive Health Center Program funding that was not available to SJ Health as an LAL

- Expanding Nutrition Services (ENS) – Currently Open
  - Up to $350K annually for two years
- Service Area Competition (SAC) – Next Major Funding Opportunity
  - Provides the pathway to continued Section 330 funding beyond the initial NAP period

SJ HEALTH
San Joaquin Health Centers

What Happens Next?

- Complete HRSA requirements within 120 days
  - Compliance Achievement Plan
  - Site/service verification
  - Revised Project Work Plan within 30 days
- Prepare for HRSA Operational Site Visit within 6 months
- Position SJ Health for continued funding

SJ HEALTH
San Joaquin Health Centers

Board Action

SJ Health Board serves as the **HRSA-required Co-Applicant**

Requested Approval

- Approve acceptance of the $650,000 HRSA New Access Points award and authorize the Project Director/CEO to implement the award and fulfill its terms and conditions.

SJ HEALTH
San Joaquin Health Centers

Behavioral Health Services

08-28-2026 SJCC Board of Directors Meeting
Action Item 5.3
Jon Diulio, MD | Chief Medical Officer
Ahad Yousuf, MD | Project Director/CEO

SJ HEALTH
San Joaquin Health Centers

Behavioral Health is Integrated into Primary Care

SJ Health providers manage mild-to-moderate behavioral health needs, including:

- Depression and other mood disorders
- Anxiety and PTSD
- Substance use disorders
- Medication assisted treatment (buprenorphine/Suboxone)

2025 UDS data demonstrates the breadth of BH needs:

- 5,258 patients with anxiety disorders including PTSD
- 4,755 with depression/mood disorders
- 1,613 with other substance-related disorders
- 792 with alcohol-related disorders

SJ HEALTH
San Joaquin Health Centers

An Integrated Behavioral Health Team

Primary Care Providers

- Identify and assess behavioral health needs
- Annual depression screenings, Manage mild-to-moderate conditions, Medication management
- SUD treatment, **Buprenorphine/Suboxone (MAT)**
- Ongoing monitoring and follow-up
- SUD clinic embedded in FMC

LCSW/LMFTs

- **2 LCSWs (one virtual), 1 LMFT**
- Mental health counseling
- Case management, Crisis intervention, Care coordination
- Support navigating social and medical challenges
- **~2,000 clinic visits in 2025**

SUD Navigators

- County BHS employees embedded at **SJ Health and SJGH ED**
- 3 total, Accept warm handoffs
- Substance use assessment/navigation
- Connect patients to treatment and community resources
- Engage patients in the ED & Follow up shortly after discharge

SJ HEALTH
San Joaquin Health Centers

BH Referrals

- Who gets referred
  - More complex symptoms
  - Higher acuity
  - Need for more structured BH services
  - Didn’t respond to tx
- New referral and ToC
  - Provider writes referral and/or fills out ToC form → referral dept emails new patient referral to BHS → email back within 2 days and start tx

SJ HEALTH
San Joaquin Health Centers

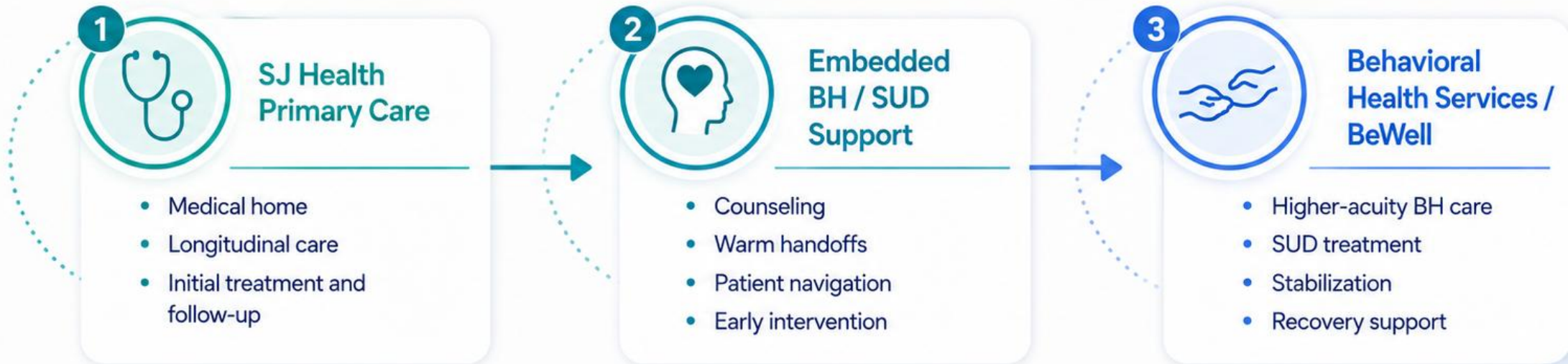
Enhanced Care Management

- **Enhanced Care Management (ECM)** provides intensive, person-centered care coordination for patients with complex medical, behavioral health, and social needs.
- **ECM connects patients to:**
  - Primary and specialty medical care
  - Behavioral health services
  - SUD treatment and recovery resources
  - Housing and other social supports
  - Community-based services
  - Benefits and other needed resources
- **SJ Health ECM impact — FY25–26**
  - **116** patients enrolled in ECM
  - **162** patients placed into interim or permanent housing
  - **67** behavioral health referrals or successful linkages to care

SJ HEALTH
San Joaquin Health Centers

Future Integration With BeWell

One system. Multiple levels of care. No wrong door.



Patients move across levels of care while remaining connected.

SJ Health remains the medical home, while BeWell strengthens access to higher-acuity behavioral health and SUD services.

SJ HEALTH
San Joaquin Health Centers

Chief Medical Officer Report – Key Updates
August 2026

Clinical Operations and Access
Systemwide visit volume remained in the 500s during August. Volume continues to be somewhat below prior levels, reflecting both softer demand and reduced provider availability. Several physicians were out during the month for extended or planned absences, including FMLA following an unexpected family death, Internal Medicine board preparation, and two maternity leaves. Despite these pressures, access efforts remain in place, including continued Saturday gap clinics with the Street Medicine provider.

Workforce and Recruitment
Workforce stabilization and recruitment continued to progress well during August. Two pediatrician candidates toured the organization, and an Internal Medicine/Infectious Disease physician candidate also toured. Prior to advancing the Infectious Disease candidate, discussion occurred with hospital leadership to ensure appropriate alignment with existing specialty services and avoid duplication.

A Family Medicine Nurse Practitioner started during August, and an Internal Medicine physician is scheduled to begin on the first Monday in September. Recruitment for chiropractic services also continues to advance. The shorter drop table needed for the new chiropractor was approved and is now being ordered in preparation for onboarding.

Behavioral Health Integration
Behavioral health referral workflows are now active and integrated into clinical practice. Providers are using established pathways for both new behavioral health referrals and transition-of-care referrals for patients who have already started treatment. This represents an important progression from prior provider education to routine operational implementation.

Hospital and Specialty Collaboration
Collaboration with St. Joseph's and hospital leadership continued to advance during August. The pediatric direct-admission pathway has now been completed, creating a clearer process for appropriate pediatric patients to be admitted without routinely going through the Emergency Department.

Hospital leadership also agreed to provide Neurology coverage for Correctional Health at this time, improving specialty access for this population. Additional discussions continue around specialty alignment, including planning related to the potential recruitment of an Internal Medicine/Infectious Disease physician.

Quality and Residency Integration
Internal Medicine residents and their attending physician participated in the most recent Quality meeting. The session included education on QIP, current quality measures, organizational performance expectations, and how clinic-level work contributes to broader quality goals. This supports stronger integration of resident education with SJ Health's quality improvement priorities.

FQHC and HRSA Milestone
A significant milestone was achieved with HRSA approval of the New Access Point application, formally establishing SJ Health as a Federally Qualified Health Center. During August, the HRSA Administrator and board members also toured the French Camp clinic. This provided an opportunity to highlight clinic operations, services, and the organization's continued growth and development.

Correctional Health Collaboration
Collaboration with Correctional Health Services continued during August as workflows are further refined. Current efforts include review of after-hours call logs, auditing Emergency Department transfers, and improving overall clinical oversight and escalation processes.

Specialty access also improved through the hospital's agreement to provide Neurology services for Correctional Health. Continued coordination remains focused on strengthening operational workflows and improving access to needed clinical services.

Clinical Innovation and Workflow Optimization
The AI scribe pilot remains ongoing. Select providers continue to test expanded functionality intended to support documentation efficiency and clinical workflow, including the ability to suggest potential orders based on the clinical encounter.

Work also continues with Health Informatics and our Cerner expert to identify duplicated work and improve provider workflow through direct observation and one-on-one support. These efforts are intended to reduce unnecessary administrative burden and improve efficiency across clinical practice.

System Coordination
Cross-department collaboration remains an important focus across Healthcare Services. Coordination continued with other County departments, including a meeting with the Assistant CAO, to support greater alignment of services and operational priorities across the healthcare system.

These efforts continue to focus on shared patient populations, improved communication, coordinated treatment pathways, and broader system integration.

Outlook
August reflected meaningful progress across several strategic areas despite continued access pressures related to provider availability. Recruitment remains active, with new provider onboarding underway and additional candidates moving through the process.

Key accomplishments included formal FQHC designation following NAP approval, completion of the pediatric direct-admission pathway, full implementation of behavioral health referral workflows, improved specialty access for Correctional Health, and continued advancement of clinical workflow innovation.

Next Steps
Continue monitoring visit volume and access as provider availability improves. Support onboarding of the Internal Medicine physician in early September and continue recruitment efforts for pediatric, chiropractic, and Internal Medicine/Infectious Disease services.

Continue monitoring behavioral health referral integration and the pediatric direct-admission pathway. Continue collaboration with hospital leadership regarding specialty alignment and Neurology support for Correctional Health. Continue evaluation of the AI scribe pilot and Cerner workflow optimization efforts. Continue collaboration with Quest regarding future implementation of HPV self-swab testing and maintain ongoing cross-department coordination across Healthcare Services.

CEO Report – August 2026 Board Meeting

Executive Summary

The organization continues to demonstrate stable operational performance while entering an important new phase as a fully funded Section 330 Health Center. Key developments this month include receipt of the New Access Point award and transition from Look-Alike to full Health Center status, continued strong quality performance, progress on operational leadership recruitment, and renewed efforts to strengthen integration across the County health system.

Organizational Performance

Operational performance remained strong in July. We averaged 542 patient visits per day and completed more than 12,300 visits, representing continued year-over-year growth. Slot utilization remained just under 80%, while the no-show rate held at 21.8%. These measures continue to reflect stable operations and sustained improvements in patient access and engagement.

Strategic, Financial, and Compliance Highlights

San Joaquin Health received notification of its New Access Point award this month, transitioning the organization from a Federally Qualified Health Center Look-Alike to a fully funded Section 330 Health Center. Additional details regarding the award and the implications of this transition will be presented separately to the Board.

Following the award, HRSA Administrator Tom Engels visited San Joaquin Health on August 14. During the visit, he presented the organization with an award recognizing our advancement of health care information technology and an official Community Health Quality Recognition (CHRQ) badge for 2026. These recognitions reflect the organization's continued progress in quality, technology, and access.

Quality and compliance efforts also remain strong. The organization is currently undergoing the QIP PY8 CY2025 audit, with no critical errors identified to date. The audit is expected to be completed in the coming weeks and will finalize our previously reported 100% quality performance score and associated supplemental funding.

System integration remains a key organizational priority. Leadership will participate in the first formal integration workshop with County and hospital senior leadership this week. The workshop will focus on identifying opportunities for greater coordination across the County's health system, clarifying areas of shared responsibility, and developing a framework for future integration efforts.

Workforce, Culture, and Risk

Leadership recruitment remains an important priority as the organization continues to strengthen its operational infrastructure. We are working with Human Resources to open recruitment for the newly established Deputy Director of Clinical Operations and Deputy Director of Administrative Operations positions. These roles will provide additional executive-level operational capacity and

allow for more distributed leadership as the organization continues to grow and assumes the responsibilities associated with full Health Center status.

Recruitment also remains underway for the Nursing Department Manager position, which will provide nursing leadership and operational support across our clinic locations.

Forward Look

Over the coming months, leadership will focus on implementing the requirements and opportunities associated with our new Section 330 status, completing the QIP audit, advancing system integration efforts, and strengthening the organization's operational leadership structure. The Board should also expect continued updates on implementation of the New Access Point award, the integration workshop process, and other initiatives associated with our transition to a fully funded Health Center.

SJ Health: First Five Months as CEO/Project Director

April–August 2026: Focus, Accomplishments & Next Steps

Ahad Yousuf, MD

Project Director

SJ HEALTH
San Joaquin Health Centers

Focus Areas

1. Patient Access & Operations
2. Workforce & Organizational Stability
3. Leadership, Strategy & Organizational Capacity
4. 330/Federal Health Center & Organizational Sustainability

SJ HEALTH
San Joaquin Health Centers

Patient Access & Operations

Focused on

- Improving access and utilization of existing clinical capacity
- Reducing no-shows and improving appointment availability
- Strengthening clinic operational performance
- Advancing key access initiatives

Accomplished

- Improved clinic performance, including ~80% slot utilization and ~21% no-show rate
- Lodi Access Center: finalized design and executed the lease and architecture agreements
- Resolved Quest laboratory ordering and workflow issues, improving provider ordering practices and coordination with the hospital laboratory

Continued focus

- Further improve access and capacity utilization
- Complete the NFI process required to move the Lodi Access Center Clinic into construction
- Develop strategies to engage the large assigned-unseen population
- Continue improving appointment utilization and access

SJ HEALTH
San Joaquin Health Centers

Workforce & Organizational Stability

Focused on

- Addressing critical vacancies
- Strengthening clinic and executive leadership
- Improving recruitment and retention
- Rebuilding stability, morale, and confidence

Accomplished

- Advanced recruitment of key leadership positions, including Deputy Director roles
- Continued recruitment of permanent clinical providers
- Strengthened clinic leadership and accountability
- Increased leadership visibility and communication

Continued focus

- Fill remaining critical leadership and clinical vacancies
- Reduce reliance on temporary/locum staffing
- Continue building a stable, engaged workforce

SJ HEALTH
San Joaquin Health Centers

Leadership, Strategy & Organizational Capacity

Focused on

- Transitioning from Director-level operational responsibilities into the CEO/PD role
- Building executive leadership capacity and organizational accountability
- Advancing development of the 2026-2028 Strategic Plan
- Transitioning BI and QIP responsibilities

Accomplished

- Successfully submitted the 2025 QIP report, achieving a 100% performance score for the second consecutive year
- Engaged Gary Bess Associates to support development of the 2026-2028 Strategic Plan and facilitate the Board Retreat
- Implemented Cerner's attribution tool, supported by a custom empanelment algorithm incorporating Family Medicine residents
- Advanced transition of BI/QIP responsibilities and increased leadership ownership of operational functions
- Advanced executive leadership structure, including Deputy Director recruitment
- Advanced system integration planning with County and hospital leadership

Continued focus

- Complete transition of BI/QIP responsibilities
- Complete development of the Strategic Plan and engage the Board in its implementation
- Further empower executive and departmental leaders
- Shift CEO capacity toward strategic leadership, partnerships, and organizational development

SJ HEALTH
San Joaquin Health Centers

330 Status & What's Ahead

Focused on

- Successfully securing New Access Point funding
- Transitioning SJ Health from Look-Alike to federally funded health center
- Building the infrastructure needed to meet new federal requirements

Accomplished

- $650,000 HRSA New Access Point award
- Section 330 health center status achieved
- Established the foundation for federal funding, compliance, and program implementation

Continued focus

- Complete Compliance Achievement Plan
- Review/update Form 5A
- Implement requirements associated with Section 330 status

SJ HEALTH
San Joaquin Health Centers

SJ Health Draft Strategic Plan 2026-2028
Strategic Direction Following FQHC Designation

08-28-2026 SJCC Board of Directors Meeting

Action Item 5.6

Ahad Yousuf | Project Director

SJ HEALTH
San Joaquin Health Centers

A New Chapter for SJ Health

- August 1, 2026: Transitioned from FQHC LAL to full FQHC status
- New Responsibilities
  - Revised Project Work Plan within 30 days
  - Compliance Achievement Plan within 120 days
  - HRSA Operational Site Visit during year 1
  - Continued maturation of FQHC infrastructure and compliance systems
- Strategic Opportunity
  - Build on more than a decade of FQHC-LAL experience
  - Leverage HCS integration
  - Expand access and strengthen long-term sustainability

SJ HEALTH
San Joaquin Health Centers

Strategic Assessment: Where We Stand

STRENGTHS

- New FQHC/330 status and established Health Center infrastructure
- Strong financial, QI, data, and analytics infrastructure
- Mobile Health, Street Medicine & ECM/Community Supports
- HCS and community partnerships

WEAKNESSES

- Workforce recruitment and retention
- FQHC compliance/infrastructure maturation
- EMR/technology limitations
- Access and operational efficiency

SJ HEALTH
San Joaquin Health Centers

Strategic Assessment: Where We Stand

OPPORTUNITIES

- Leverage 330 funding and pursue federal grants
- Engage assigned unseen
- Expand services and community-based access
- Strengthen HCS/SJGH integration
- Build workforce and technology infrastructure

THREATS

- Changing reimbursement and health policy
- Increasing FQHC regulatory complexity
- Workforce shortages and rising costs
- Growing behavioral health/SUD and social needs

SJ HEALTH
San Joaquin Health Centers

Four Strategic Priorities

PATIENT ACCESS

- Optimize access and scheduling
- Improve patient engagement and navigation
- Expand capacity through H80 opportunities
- Strengthen care transitions

ENABLED WORKFORCE

- Recruit and retain critical staff
- Strengthen training and FQHC competencies
- Develop career pathways and succession
- Reduce reliance on locums

SJ HEALTH
San Joaquin Health Centers

Four Strategic Priorities

SERVICE EXCELLENCE

- Complete Compliance Achievement Plan
- Prepare for and successfully complete OSV
- Strengthen quality and compliance systems
- Improve patient experience and operational performance

INTEGRATION WITH HCS

- Advance whole-person care
- Share data, resources, and infrastructure
- Strengthen HCS/SJGH coordination
- Align population health priorities

SJ HEALTH
San Joaquin Health Centers

What Success Looks Like

Access

- Assigned-seen ≥60%
- TTNA <20 days
- No-show rate <20%

Workforce

- Turnover ↓25%
- Locum utilization ↓33%
- 100% training completion

SJ HEALTH
San Joaquin Health Centers

What Success Looks Like

Service

- Top-quartile patient satisfaction
- Referral closure ≥90% within 14 days
- Provider productivity +20%

Sustainability

- ≥3% operating margin
- ≥2 new revenue streams annually

SJ HEALTH
San Joaquin Health Centers