SJ HEALTH
San Joaquin Health Centers

SAN JOAQUIN COUNTY CLINICS PUBLIC BENEFIT CORPORATION
BOARD MEETING AGENDA
10100 Trinity Parkway, Suite 100, Stockton, CA 95219
October 27, 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, Rick Ledo, Jodie Moreno, James Myers, Mark Myles, Nora Hana, Destiny Easter, Patricia Barrett, Cymone Reyes

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 – August 25, 2026/September 29, 2026
   - 3.2 September/October 2026 Credentialing Report

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4. **ACTION ITEMS**
   - 4.1 Review and Accept July 2026 Finance Report
   - 4.2 Review and Accept August 2026 Finance Report
   - 4.3 Adopt of Updated Financial Management Policies
   - 4.4 Review and Accept New Strategic Plan
   - 4.5 Review and Accept Governance Nominations

   Board to consider and take possible action

5. **DISCUSSION ITEMS**
   - 5.1 Board Chair Report
   - 5.2 CMO Report
   - 5.3 CEO Report
   - 5.4 SJCC Board Meeting Location Survey Results

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

7. **CALENDAR**
   - 7.1 Next Board Meeting – November 17, 2026, at 5:30 PM

9. **ADJOURNMENT**

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San Joaquin Health Centers

Minutes of August 25, 2026
San Joaquin Health Centers Board of Directors

Board Members Present: Brian Heck (Board Chair), Samantha Monks (Vice Chair), Destiny Easter, Patricia Barrett, Jodie Moreno, Jayvin Herrejon, David Ziolkowski, Cymone Reyes
Excused Absent: Cassandra Lacondeguy, Rick Ledo, James Myers, Nora Hana, Mark Myles
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, Genevieve Valentine, Edison Jensen
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 August 25, 2026, was presented. 2. A motion was made to approve the Minutes of the July 28, 2026 Board Meeting and the August 2026 Credentialing Report.	August Credentialing Report added to prior agenda packet.	1. Pat motioned to accept; Jodie seconded; Cymone abstained; motion passed 7-0
IV. Action Items **1. Acceptance of the June 2026 Finance Report** Alison Shih presented the June 2026 Finance Report for Board acceptance. Alison provided a detailed breakdown of the Miscellaneous category of the financial presentation. She also provided an update of the new Management Analyst II. David asked where the 51 million cash is going, Alison replied this is for the Be Well Campus draw, half will be from this fiscal year and half from the next. 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. **2. Review and Approve Addition of Authorized Signer for BMO Operating and Payroll Accounts – Tina Shahani**	June 2026 Finance Report added to prior agenda packet.	1. Pat motioned to accept; Samantha seconded; Cymone abstained; motion passed 7-0 2. Pat motioned to accept; Samantha seconded; Cymone abstained; motion passed 7-0

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Alison Shih requested Board approval to\ add Tina to the list of authorized officers and account signers for the BMO operating and payroll accounts. 3. **Review and Accept HRSA NAP Award - Presentation** Ahad presented and asked for the Board's acceptance of Health Resources and Services Administration New Access Points Award and Transition to Federally Funded Health Center. 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. Pat asked about food deserts if there will be any small grants or educational classes. Dr.D explained that this funding is for internal resources such as FQHC Dietician/Nutrician services.	NAP Award Presentation added to prior agenda packet.	3. Pat motioned to accept; Jayvin seconded; Cymone abstained; motion passed 7-0
V. <u>Discussion Items (Brian Heck)</u> **1. Board Chair Report** No additional report was provided. **2. Mobile Clinic Tour** Board Members took a brief outdoor tour with the Mobile team. **3. Behavioral Health Services through the Clinics – Future of Integrations** Dr. Diulio provided an overview of how 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) Pat asked what is considered Permanent housing – Ahad replied that we will be having an Enhanced Care Management/Community Supports Presentation at our next board meeting.	Behavioral Health Presentation added to prior agenda packet.	No action required

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4. CMO Report Dr. Diulio provided key updates of this CMO report, including: - 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.	CMO Report added to prior agenda packet.	
5. CEO Report Ahad Yousuf provided organizational updates and discussed the following priorities: - 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.	CEO Report added to prior agenda packet.	
5.5.1 Five-Month Retrospective Overview Ahad provided an overview of these first five months as CEO/Project Director and the focus areas: 1. Patient Access & Operations 2. Workforce & Organizational Stability 3. Leadership, Strategy & Organizational Capacity 4. 330/Federal Health Center & Organizational Sustainability	Five-Month Retrospective Overview added to prior agenda packet.	
6. Draft Strategic Plan Presentation Ahad provided an overview of his strategic plan and direction following FQHC designation. Destiny asked if Ahad took part in the HRSA application when it was initially submitted – Ahad replied yes as he participated in the application and preparation.	Draft Strategic Plan Presentation added to prior agenda packet.	

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I. **Board Comments** Pat requested to bring the board meetings to the clinics. We will explore the possibility of holding future Board meetings at a clinic location to provide a change of setting. Jodie inquired about how Matt/Ahad's mentoring is going, as well as how employee morale is going. Brian will take the request into consideration at the next Board Agenda Review Meeting. David shared his resignation with the Board due to his new role responsibilities at the hospital.	No attachments	No action required
II. **Calendar (Brian Heck)** The next board meeting will be September 29, 2026, at 5:30 PM.	No attachments	No action required
III. **Adjournment (Brian Heck)** There being no further discussion, the meeting was adjourned at 7:24 PM.	No attachments	No action required

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Minutes of September 29, 2026
San Joaquin Health Centers Board of Directors

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

AGENDA ITEM	ATTACHMENTS	ACTION
I. Commencement/Call to Order (Brian Heck) The meeting was called to order at 5:32 p.m. Due to there being no quorum during this meeting no voting occurred, item 4.1 was pulled from the agenda.	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 September 29, 2026, was included in the agenda packet. 2. Minutes of the August 28, 2026 Board Meeting and the September 2026 Credentialing Report were included in the agenda packet.	September Credentialing Report added to prior agenda packet.	1. No voting
IV. Action Items **1. July 2026 Finance Report** Alison Shih presented the July 2026 Finance Report for Board acceptance. No further questions were asked.	July 2026 Finance Report added to prior agenda packet.	1. No voting
V. Discussion Items (Brian Heck) **1. Board Chair Report** Brian shared that his term will be coming to an end, and a new Chair will be voted on. The Bylaws are also being reviewed and will be brought back to the board within 2 months. **2. CMO Report** Ahad provided key updates of the CMO report, including: - September reflected continued operational stability with active progress in recruitment, hospital collaboration, preventive services, and community outreach. - Visit volume remains in the 500s, with ongoing access pressures primarily related to provider availability.	CMO Report added to prior agenda packet.	No action required

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- At the same time, seasonal respiratory illness is beginning to increase, reinforcing the importance of vaccination and access planning as the organization moves into the fall and winter months. **3. CEO Report** Ahad Yousuf provided organizational updates and discussed the following priorities: - San Joaquin Health continues to build on the transition to full Section 330 Health Center status while maintaining stable operational performance and advancing several strategic priorities. - HRSA operational site visit from Dec 1-3rd – they will want to meet with select board members, more information to come. - 2nd Mobile Unit is also in the works; county procumbent processes are being followed. - Key developments this month include completion of major HRSA New Access Point deliverables, - preparation for the upcoming Operational Site Visit, continued expansion of mobile health services, submission of a federal nutrition services grant application, progress on new access initiatives, and continued strengthening of the organization's leadership and administrative infrastructure. Pat asked if the $300,000 from the Federal Nutrition Services is for salary alone if it includes outreach and medication. Ahad replied it's personal and supplies. **4. Signed Conflict of Interest Form** - Ahad shared the Form 700 is part of annual governance requirements, fillable forms will be distributed at our next meeting.	CEO Report added to prior agenda packet.	
I. <u>Board Comments</u> Pat inquired about future meetings being held at clinic locations, a Boad Meeting location survey will be going out and discussed at our next board meeting. Pat also inquired about county departments often do not get reimbursed for commercial insurance when someone comes for a service or is asking for continuity of care. For example, if someone at the clinics is getting a service for street medicine but we can't get reimbursed. Alison shared that this is less than 1%, she will be reaching out to EMMI to get more information and detailed data.	No attachments	No action required

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	Jodie provided an update on the Governance committee, they will pe providing a nomination for Chair, Vice – Chair and Treasure at our next meeting. They are also working on the Bylaws for the wording, corrections and it will be brought back to the board. Jodie asked if we can extend Brian's term as the chair, Lisa replied there is nothing in the Bylaws preventing this.		
II.	**Calendar (Brian Heck)** The next board meeting will be October 27, 2026, at 5:30 PM.	No attachments	No action required
III.	**Adjournment (Brian Heck)** There being no further discussion, the meeting was adjourned at 7:24 PM.	No attachments	No action required

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INITIAL APPOINTMENTS
September 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 September 2026	Breanna Williams	Mental Health Specialist	Requirements for active staff met	None	Active 09/26-09/27	CRED: 09/05/2026 MED: 09/16/2026 BOARD: 09/29/2026	SJHEALTH MED STAFF
INITIAL APPOINTMENT September 2026	Elaine Wong MD	Family Medicine - Fellow	Requirements for active staff met	None	Active 09/26-09/27	CRED: 09/05/2026 MED: 09/16/2026 BOARD: 09/29/2026	SJHEALTH MED STAFF
INITIAL APPOINTMENT September 2026	George Hernandez MD	Family Medicine -Fellow	Requirements for active staff met	None	Active 09/26-09/27	CRED: 09/05/2026 MED: 09/16/2026 BOARD: 09/29/2026	SJHEALTH MED STAFF
INITIAL APPOINTMENT September 2026	Htet Htet Khaing MD	Internal Medicine	Requirements for active staff met	None	Active 09/26-09/27	CRED: 09/05/2026 MED: 09/16/2026 BOARD: 09/29/2026	SJHEALTH MED STAFF
INITIAL APPOINTMENT September 2026	Nancy Odfina DC	Chiropractor	Requirements for active staff met	None	Active 09/26-09/27	CRED: 09/05/2026 MED: 09/16/2026 BOARD: 09/29/2026	SJHEALTH MED STAFF
INITIAL APPOINTMENT September 2026	Rebecca Nkrumah MD	Psychatrist	Requirements for active staff met	None	Active 09/26-09/27	CRED: 09/05/2026 MED: 09/16/2026 BOARD: 09/29/2026	SJHEALTH MED STAFF

INITIAL APPOINTMENTS
October 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 October 2026	Shailinder Singh MD	Pediatrician	Requirements for active staff met	None	Active 10/26-10/27	CRED: 10/05/2026 MED: 10/21/2026 BOARD: 10/27/2026	SJHEALTH MED STAFF
INITIAL APPOINTMENT October 2026	Denise Ahern	Substance Abuse Counsler	Requirements for active staff met	None	Active 10/26-10/27	CRED: 10/05/2026 MED: 10/21/2026 BOARD: 10/27/2026	SJHEALTH MED STAFF

REAPPOINTMENTS
October 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 October 2026	Amber Pohl PA	Physican Assistant	Requirments for active staff met	NONE	Active 10/26-10/28	CRED: 10/05/2026 MED: 10/21/2026 BOARD: 10/27/2026	SJHEALTH MED STAFF
Reappointment October 2026	Mary Papazoglou CNM	Certified Nurse Midwife	Requirments for active staff met	NONE	Active 10/26-10/28	CRED: 10/05/2026 MED: 10/21/2026 BOARD: 10/27/2026	SJHEALTH MED STAFF
Reappointment October 2026	Zeba Khavarian MD	Family Medicine	Requirments for active staff met	NONE	Active 10/26-10/28	CRED: 10/05/2026 MED: 10/21/2026 BOARD: 10/27/2026	SJHEALTH MED STAFF

SJ HEALTH
San Joaquin Health Centers

October 27, 2026

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

Dear Board Members,

Acceptance of Unaudited Financial Statements for the Period Ending July 31, 2026

RECOMMENDATION

It is recommended that the Board of Directors accept the unaudited financial statements for the period ending July 31, 2026.

REASON FOR RECOMMENDATION

Overall, SJ Health's financial position remains strong. Month-to-date (MTD) billable visits for July 2026 exceeded budget by 423 visits.

MTD operating revenue is favorable to budget by $525,815, primarily due to an increase in Net Patient Service Revenue resulting from billable visits exceeding budget by $547,792. However, 340B Pharmacy Program revenue was unfavorable to budget by $102,412 due to increasing manufacturer restrictions.

MTD operating expenditures are favorable to budget by $1,281,800. Savings of $327,484 were attributable to salary and benefits associated with vacant positions. Recruitment efforts remain ongoing to fill critical vacancies. Professional fees generated savings of $836,783 due to the underutilization of medical support staff, consulting and other professional services. Other significant savings came from rent, totaling $123,726 as we continue to work on the move to the Health Plan San Joaquin building and the set up for Lodi Access Center Clinic.

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

FISCAL IMPACT

As presented, the unaudited year-to-date (YTD) net income of $1,855,511 represents a favorable variance of $1,807,615 compared to the budgeted net profit of $47,895. The favorable variance is primarily attributable to savings in personnel expenses and professional fees.

ACTION TO BE TAKEN FOLLOWING APPROVAL

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

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San Joaquin Health Centers

Financial Statement Comments

July 2026

Summary of FQHC Performance: Fiscal Year-to-Date

Billable visits as of July are favorable to budget by 423 visits. Net Patient Service Revenues for July are favorable to budget by $547,792. July financials reflect an estimated PPS liability accrual of $25,000.

Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of $2,558,211. Also, July financials include Capitation Revenue for $408,889 and 340B Pharmacy program revenue for $122,588. Grant Revenues include ARPA grant revenue for $67,625. July financials include estimated Hedis Gap Closure incentive revenues accrued for $45,000 for July 2026 health care services.

Other Revenue includes revenues accrued for $61,135 related to Purchased Services provided to SJGH by SJHC per the MOU. Interest income for $255,854 has been reflected on the financials, which is favorable compared to budget by $30,984.

Total Operating Revenue is favorable to budget by $525,815 primarily due to favorable variance in revenues for $663,415 related to patient services, Physician Capitation, SJGH Chargebacks per MOU, Interest Income, and other income higher than budget offset by unfavorable revenues for $137,600 related to 340B Pharmacy Program, Federal and State grant and HEDIS incentive revenue.

Salaries and Benefits expenses exhibit a favorable variance to budget by $327,484 which is mainly related to vacant positions that have not filled yet. Salaries and Benefits expenses budgeted for FY27 are based on 100% employment. Recruitment efforts are ongoing to fill the vacant positions.

Other operating expenses exhibit a favorable variance of $954,316 largely due to an unfavorable variance for $136,750 for Purchased Services, Depreciation, Office, Repairs, and Insurance expenses offset by a favorable variance of $1,091,066 reflected in the Professional Fees, Supplies, Interest, Dues, Telephone, Advertising, Travel, Utilities, Rent, and Miscellaneous expense categories. An estimated accrual for the Purchased Services is recorded in July based on the MOU with the County for services purchased from San Joaquin General Hospital. July total Operating Expenditures are favorable to budget by $1,281,800.

Unaudited, as presented, July Net Income of $1,855,511 represents a favorable variance of $1,807,615 as compared to budgeted Net Income of $47,895. Net Income is favorable mainly due to the actual salaries and benefits, Professional Fees, and Rent expenses that are lower than FY27 budgeted expenses.

Additional Factors Impacting FQHC Fiscal Results

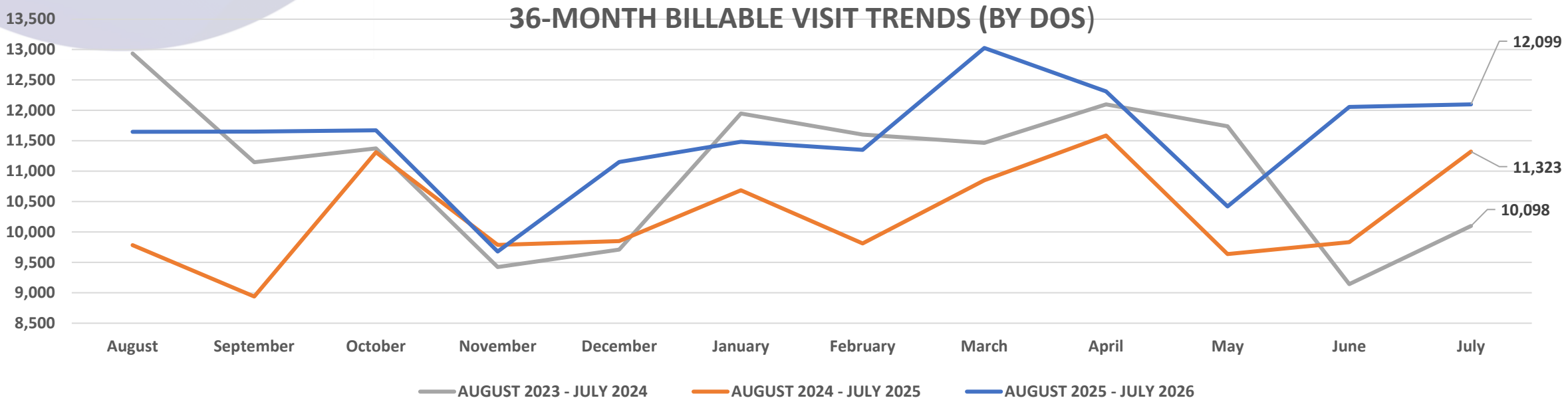
- Supplemental revenues are estimates based on current performance and statewide pool amounts for the California Department of Public Health Quality Incentive Pool Program.
- On SJ Health's balance sheet, deferred grant revenues amount to $2,020,650 as of July 2026.

SAN JOAQUIN HEALTH CENTERS
FINANCE PRESENTATION
JULY 2026 FINANCIAL STATEMENTS

Alison Shih

Management Services Administrator

Presentation Date: 10/27/2026



FY27 Visits By Financial Class	Actual
Medi-Cal Managed Care	78.96%
Medicare	11.57%
Medi-Cal	6.23%
Commercial	1.97%
Self-Pay	1.27%
Total	100.00%

FY27 Month	Actual	Budget	Variance
Jul-26	12,099	11,676	423
Total	12,099	11,676	423

SJ HEALTH INCOME STATEMENT – JULY 2026

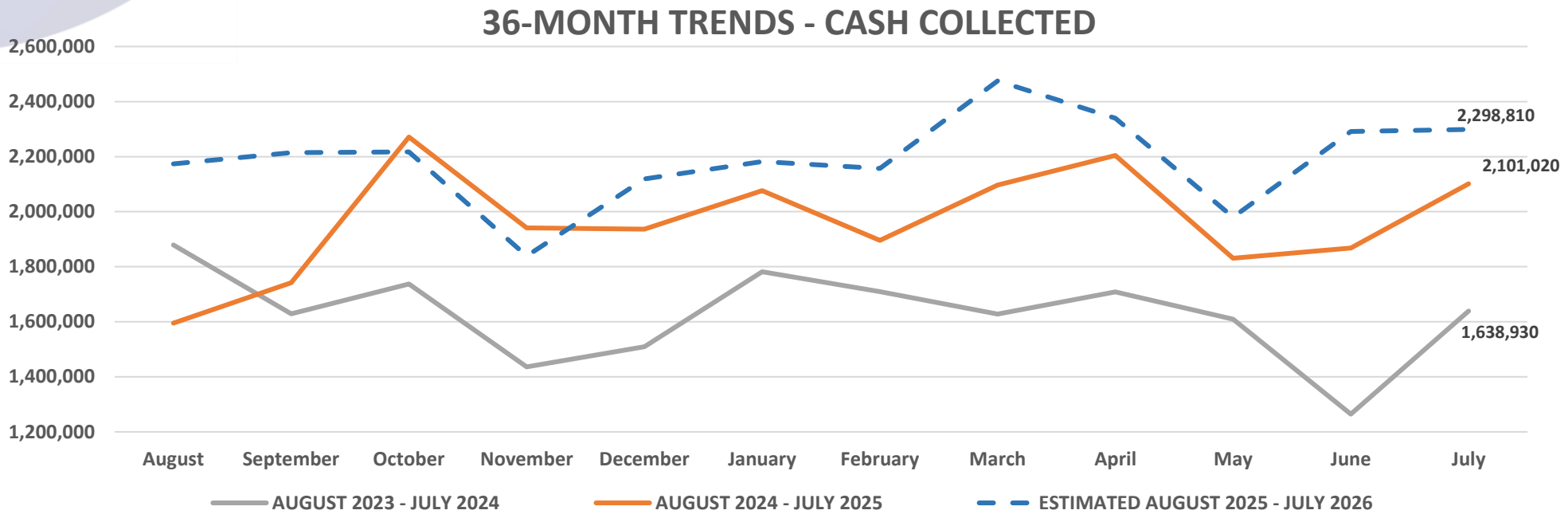
	Current Period Actual	Current Period Budget - Original	Current Period Budget Variance - Original	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original
Operating Revenue						
Net Patient Service Revenue	2,743,307	2,195,515	547,792	2,743,307	2,195,515	547,792
Supplemental Revenue	2,558,211	2,558,211	0	2,558,211	2,558,211	0
Capitation Revenue	408,889	333,333	75,555	408,889	333,333	75,555
Managed Care Incentives	45,000	66,667	(21,667)	45,000	66,667	(21,667)
Grant Revenue	67,625	81,146	(13,521)	67,625	81,146	(13,521)
340B Pharmacy Program	122,588	225,000	(102,412)	122,588	225,000	(102,412)
MOU & Other Income	318,437	278,370	40,067	318,437	278,370	40,067
Total Operating Revenue	6,264,057	5,738,242	525,815	6,264,057	5,738,242	525,815
Expenditures						
Salaries & Wages	1,942,770	2,078,862	136,092	1,942,770	2,078,862	136,092
Employee Benefits	1,109,581	1,300,973	191,392	1,109,581	1,300,973	191,392
Professional Fees	388,933	1,225,715	836,783	388,933	1,225,715	836,783
Purchased Services	285,760	280,314	(5,446)	285,760	280,314	(5,446)
Supplies	113,326	148,069	34,742	113,326	148,069	34,742
Depreciation	56,659	0	(56,659)	56,659	0	(56,659)
Interest	847	2,348	1,501	847	2,348	1,501
Office Expense	1,739	1,587	(151)	1,739	1,587	(151)
Dues, Subscription & Fees	130,878	134,998	4,120	130,878	134,998	4,120
Repairs & Maintenance	67,379	622	(66,757)	67,379	622	(66,757)
Telephone & Internet	13,758	20,599	6,842	13,758	20,599	6,842
Advertising & Promotions	1,105	14,445	13,339	1,105	14,445	13,339
Travel & Training	12,185	41,762	29,576	12,185	41,762	29,576
Insurance	28,473	20,737	(7,737)	28,473	20,737	(7,737)
Utilities	124,047	130,850	6,803	124,047	130,850	6,803
Rent	110,743	234,469	123,726	110,743	234,469	123,726
Miscellaneous	20,364	53,997	33,633	20,364	53,997	33,633
Total Expenditures	4,408,546	5,690,346	1,281,800	4,408,546	5,690,346	1,281,800
Net Income(Loss)	1,855,511	47,895	1,807,615	1,855,511	47,895	1,807,615

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

Income Statement Grouping	Current Period Actual	Current Period Budget - Original	Current Period Budget Variance - Original	% Variance	July 2026 - Variance Explanations
Revenues					
Net Patient Service Revenue	2,743,307	2,195,515	547,792	25%	Favorable variance due to visits being higher than budget by 423 visits.
Capitation Revenue	408,889	333,333	75,555	23%	Favorable variance due to higher physician capitation payment than budget in July 2026.
Managed Care Incentives	45,000	66,667	(21,667)	-32%	Unfavorable mainly due to lower HEDIS Gap Closure Block Access revenue accrued for July based on the updated contract terms effective January 2026.
Grant Revenue	67,625	81,146	(13,521)	-17%	Unfavorable variance due to actual ARPA grant revenue lower than budget along with no activity for budgeted Discovery Challenge Academy grant revenue in July.
340B Pharmacy Program	122,588	225,000	(102,412)	-46%	Unfavorable variance mainly due to increasing manufacturer restrictions and Inflation Reduction Act effective January 2026.
MOU & Other Income	318,437	278,370	40,067	14%	Favorable variance due to actual interest income higher than budget in July 2026.
Expenditures					
Salaries & Wages	1,942,770	2,078,862	136,092	7%	Favorable variance mainly related to vacancies. FY27 salaries and benefits budgeted at 100% employment. Actual July 2026 FTEs for direct hire positions are 199 compared to budgeted FTEs for 242.
Employee Benefits	1,109,581	1,300,973	191,392	15%	Favorable variance mainly related to vacancies. FY27 salaries and benefits budgeted at 100% employment. Actual July 2026 FTEs for direct hire positions are 199 compared to budgeted FTEs for 242.
Professional Fees	388,933	1,225,715	836,783	68%	Favorable variance mainly due to lower actual utilization of medical support staff, consulting, and other professional services than budget.
Supplies	113,326	148,069	34,742	23%	Favorable variance mainly due to decrease in pharmaceutical expenses related to the 340B pharmacy program and lower actual expense for medical supplies than budget.
Telephone & Internet	13,758	20,599	6,842	33%	Favorable variance due to actual telecommunication expenses lower than budget.
Advertising & Promotions	1,105	14,445	13,339	92%	Favorable variance mainly related to lower actual marketing expenses than budgeted.
Travel & Training	12,185	41,762	29,576	71%	Favorable variance due to actual travel and training expenses lower than budget.
Rent	110,743	234,469	123,726	53%	Favorable variance mainly related to rental for Health Plan of San Joaquin and Lodi clinic that have not started yet in July 2026.
Miscellaneous	20,364	53,997	33,633	62%	Favorable variance mainly related to actual expenses lower than budget for minor equipment, recruiting, and motorpool.

SJ HEALTH BALANCE SHEET- JULY 2026

	FY2026 JUNE 30, 2026 (UNAUDITED)	FY2027 JULY 31, 2026
Assets		
Cash & Cash Equivalents	51,779,414	52,537,529
Accounts Receivable	1,924,930	1,669,130
Property & Equipment	1,777,268	1,720,610
Other Assets	29,078,228	31,129,046
Total Assets	84,559,840	87,056,315
Liabilities		
Accounts Payable	706,778	1,065,222
Other Liabilities	5,696,305	5,978,825
Deferred Revenue	1,800,000	1,800,000
Total Liabilities	8,203,083	8,844,048
Net Assets		
Beginning Net Assets	62,117,994	74,336,106
Unrestricted Net Assets	2,020,650	2,020,650
Current YTD Net Income	12,218,113	1,855,511
Total Net Assets	76,356,757	78,212,267
Total Liabilities and Net Asset	84,559,840	87,056,315



FY27 Collections By Financial Class	%
Medicaid	94.68%
Medicare	5.03%
Self-Pay	0.25%
Commercial	0.04%
Total	100.00%

NOTE: COLLECTIONS FROM AUGUST 2025 THROUGH JULY 2026 HAVE BEEN ESTIMATED BASED ON THE HISTORICAL COLLECTIONS TREND. INCREASE IN COLLECTIONS FROM AUGUST 2025 THROUGH JULY 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 FY26 (UNAUDITED)	SJ HEALTH FYTD FY27
FINANCIAL HEALTH					
1 **Operating Margin** As a % of Operating Revenue	**>3%**	4%	5%	19.1%	**29.6%**
2 **Bottom Line Margin** As a % of Operating Revenue	**>3%**	6%	6%	19.1%	**29.6%**
3 **Days Cash on Hand**	**>60 Days**	105	129	371	**374**
4 **Days in Net Patient Receivables**	**<45 Days**	36	39	36	**32**
5 **Personnel-Related Expense (PRE)** As a % of Operating Revenue	**<70%**	69%	72%	66%	**59%**

SJ HEALTH
San Joaquin Health Centers

October 27, 2026

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

Dear Board Members,

Acceptance of Unaudited Financial Statements for the Period Ending August 31, 2026

RECOMMENDATION

It is recommended that the Board of Directors accept the unaudited financial statements for the period ending August 31, 2026.

REASON FOR RECOMMENDATION

Although the overall SJ Health's financial position remains strong. Year-to-date (YTD) billable visits for August 2026 were lower from budget by 255 visits.

YTD operating revenue is favorable to budget by $1,340,701 primarily due to an increase in Net Patient Service Revenue resulting from billable visits exceeding budget by $1,197,127. However, 340B Pharmacy Program revenue was unfavorable to budget by $155,285 due to increasing manufacturer restrictions.

YTD operating expenditures are favorable to budget by $1,989,501. Savings of $748,906 were attributable to salary and benefits associated with vacant positions. Recruitment efforts remain ongoing to fill critical vacancies. Professional fees generated savings of $1,600,967 due to the underutilization of medical support staff, consulting and other professional services. Other significant savings came from rent, totaling $247,824 as we continue to work on the move to the Health Plan San Joaquin building and the set up for Lodi Access Center Clinic.

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

FISCAL IMPACT

As presented, the unaudited year-to-date (YTD) net income of $3,573,379 represents a favorable variance of $3,797,116 compared to the budgeted net loss of $271,632.

ACTION TO BE TAKEN FOLLOWING APPROVAL

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

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Stockton, CA 95219
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www.sjhealth.org

San Joaquin Health Centers

Financial Statement Comments

August 2026

Summary of FQHC Performance: Fiscal Year-to-Date

Year-to-day (YTD) billable visits as of August are favorable to budget by 255 visits. Net Patient Service Revenues for August are favorable to budget by $649,335. YTD financials reflect an estimated PPS liability accrual of $50,000. Also, YTD financials include refund to Health Plan of San Joaquin for $2,106,117 related to overpayment of FY26 physician capitation payment.

Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of $5,116,422. Also, YTD financials include Capitation Revenue for $983,586 and 340B Pharmacy program revenue for $294,715. YTD Grant Revenues include ARPA grant revenue for $140,797. YTD financials include estimated Hedis Gap Closure incentive revenues accrued for $90,000 for July through August 2026 health care services.

Other Revenue includes revenues accrued for $121,324 related to Purchased Services provided to SJGH by SJHC per the MOU. YTD Interest income for $255,930 has been reflected on the financials, which is favorable compared to budget by $30,995.

Total Operating Revenue is favorable to budget by $1,340,701 primarily due to favorable variance in revenues for $1,560,813 related to patient services, Physician Capitation, SJGH Chargebacks per MOU, Interest Income, and other income higher than budget offset by unfavorable revenues for $220,113 related to 340B Pharmacy Program, Federal and State grant and HEDIS incentive revenue.

Salaries and Benefits expenses exhibit a favorable variance to budget by $748,906 which is mainly related to vacant positions that have not filled yet. Salaries and Benefits expenses budgeted for FY27 are based on 100% employment. Recruitment efforts are ongoing to fill the vacant positions.

Other operating expenses exhibit a favorable variance of $1,707,509 largely due to an unfavorable variance for $281,544 for Purchased Services, Supplies, Depreciation, Office, Repairs, and Insurance expenses offset by a favorable variance of $1,989,053 reflected in the Professional Fees, Interest, Dues, Telephone, Advertising, Travel, Utilities, Rent, Other Minor Equipment and Miscellaneous expense categories. An estimated accrual for the Purchased Services is recorded from July through August based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by $2,456,415.

Unaudited, as presented, YTD Net Income of $3,573,379 represents a favorable variance of $3,797,116 as compared to budgeted Net Loss of $223,737. Net Income is favorable mainly due to the actual salaries and benefits, Professional Fees, and Rent expenses that are lower than FY27 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 August 2026.

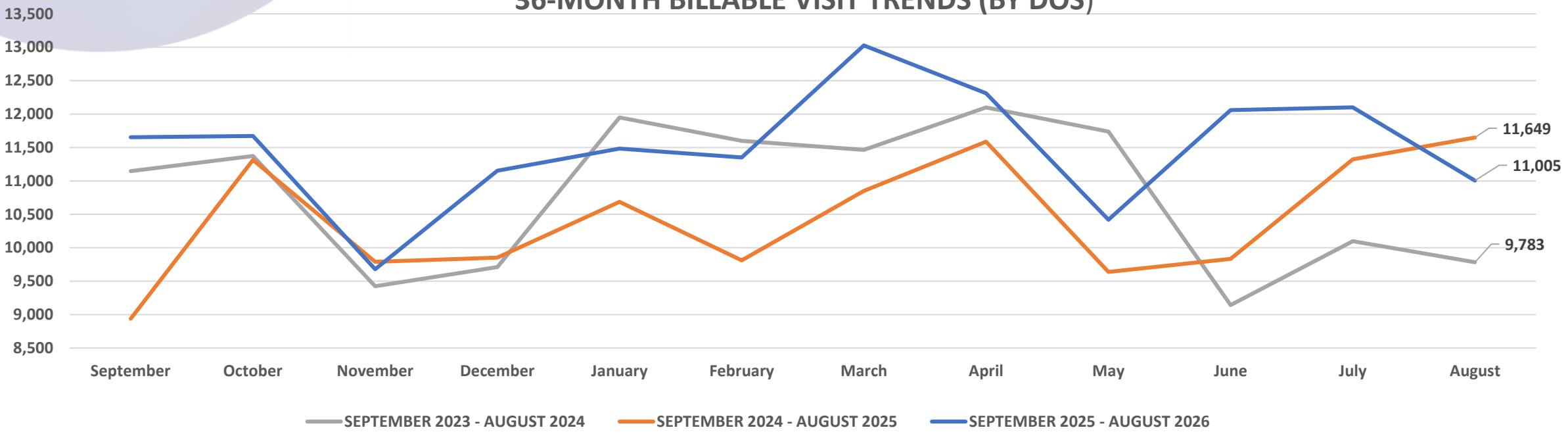
SAN JOAQUIN HEALTH CENTERS
FINANCE PRESENTATION
AUGUST 2026 FINANCIAL STATEMENTS

Alison Shih

Management Services Administrator

Presentation Date: 10/27/2026

36-MONTH BILLABLE VISIT TRENDS (BY DOS)



FY27 Visits By Financial Class	Actual
Medi-Cal Managed Care	78.63%
Medicare	11.21%
Medi-Cal	6.75%
Commercial	2.11%
Self-Pay	1.30%
Total	100.00%

FY27 Month	Actual	Budget	Variance
Jul-26	12,099	11,676	423
Aug-26	11,005	11,173	(168)
Total	23,104	22,849	255

SJ HEALTH INCOME STATEMENT – AUGUST 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	2,750,127	2,100,792	649,335	5,493,434	4,296,307	1,197,127
Supplemental Revenue	2,558,211	2,558,211	0	5,116,422	5,116,422	0
Capitation Revenue	574,698	333,333	241,364	983,586	666,667	316,920
Managed Care Incentives	45,000	66,667	(21,667)	90,000	133,333	(43,333)
Grant Revenue	73,172	81,146	(7,974)	140,797	162,292	(21,495)
340B Pharmacy Program	172,127	225,000	(52,873)	294,715	450,000	(155,285)
MOU & Other Income	60,264	53,565	6,699	378,701	331,935	46,766
Total Operating Revenue	6,233,599	5,418,714	814,886	12,497,656	11,156,956	1,340,701
Expenditures						
Salaries & Wages	1,944,922	2,078,862	133,940	3,887,692	4,157,723	270,032
Employee Benefits	1,013,491	1,300,973	287,482	2,123,072	2,601,946	478,874
Professional Fees	461,531	1,225,715	764,184	850,464	2,451,431	1,600,967
Purchased Services	280,347	280,314	(33)	566,108	560,628	(5,480)
Supplies	198,517	148,069	(50,449)	311,844	296,137	(15,706)
Depreciation	56,700	0	(56,700)	113,359	0	(113,359)
Interest	788	2,348	1,559	1,635	4,696	3,060
Office Expense	1,588	1,587	(1)	3,327	3,174	(153)
Dues, Subscription & Fees	129,131	134,998	5,867	260,009	269,996	9,988
Repairs & Maintenance	64,907	622	(64,285)	132,286	1,245	(131,042)
Telephone & Internet	13,869	20,599	6,730	27,627	41,198	13,571
Advertising & Promotions	11,415	14,445	3,030	12,520	28,889	16,369
Travel & Training	45,433	41,762	(3,671)	57,618	83,524	25,905
Insurance	28,804	20,737	(8,067)	57,277	41,473	(15,804)
Utilities	124,431	130,850	6,418	248,478	261,699	13,221
Rent	110,372	234,469	124,098	221,115	468,939	247,824
Other Minor Equipment	19,229	18,172	(1,057)	29,883	36,343	6,460
Miscellaneous	10,254	35,826	25,572	19,963	71,651	51,688
Total Expenditures	4,515,731	5,690,346	1,174,615	8,924,277	11,380,692	2,456,415
Net Income(Loss)	1,717,868	(271,632)	1,989,501	3,573,379	(223,737)	3,797,116

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

Income Statement Grouping	Current Period Actual	Current Period Budget - Original	Current Period Budget Variance - Original	% Variance	August 2026 - Variance Explanations
Revenues					
Net Patient Service Revenue	2,750,127	2,100,792	649,335	31%	Favorable due to base rate per visit higher than budgeted.
Capitation Revenue	574,698	333,333	241,364	72%	Favorable due to significant increase in membership assigned by Health Plan of San Joaquin in August.
Managed Care Incentives	45,000	66,667	(21,667)	-32%	Unfavorable mainly due to lower HEDIS Gap Closure Block Access revenue accrued for August based on the updated contract terms effective January 2026.
340B Pharmacy Program	172,127	225,000	(52,873)	-23%	Unfavorable variance mainly due to increasing manufacturer restrictions and Inflation Reduction Act effective January 2026.
MOU & Other Income	60,264	53,565	6,699	13%	Favorable due to MOU chargeback $6.6K higher than budgeted.
Expenditures					
Salaries & Wages	1,944,922	2,078,862	133,940	6%	Favorable variance mainly related to vacancies. FY27 salaries and benefits budgeted at 100% employment. Actual August 2026 FTEs for direct hire positions are 200 compared to budgeted FTEs for 242.
Employee Benefits	1,013,491	1,300,973	287,482	22%	Favorable variance mainly related to vacancies. FY27 salaries and benefits budgeted at 100% employment. Actual August 2026 FTEs for direct hire positions are 200 compared to budgeted FTEs for 242.
Professional Fees	461,531	1,225,715	764,184	62%	Favorable variance mainly due to lower actual utilization of medical support staff, consulting, and other professional services than budget.
Supplies	198,517	148,069	(50,449)	-34%	Unfavorable variance mainly due to increase in pharmaceutical expenses related to the 340B pharmacy program and higher actual expense for medical supplies than budget.
Telephone & Internet	13,869	20,599	6,730	33%	Favorable variance due to actual telecommunication expenses lower than budget.
Advertising & Promotions	11,415	14,445	3,030	21%	Favorable variance mainly related to lower actual marketing expenses than budgeted.
Insurance	28,804	20,737	(8,067)	-39%	Unfavorable variance mainly related to higher than anticipated malpractice insurance expenses for contracted medical staff and unbudgeted directors and officers insurance.
Rent	110,372	234,469	124,098	53%	Favorable variance mainly related to rental for Health Plan of San Joaquin and Lodi clinic that have not started yet in August 2026.
Miscellaneous	10,254	35,826	25,572	71%	Favorable variance mainly related to actual expenses lower than budget for recruiting and motorpool.

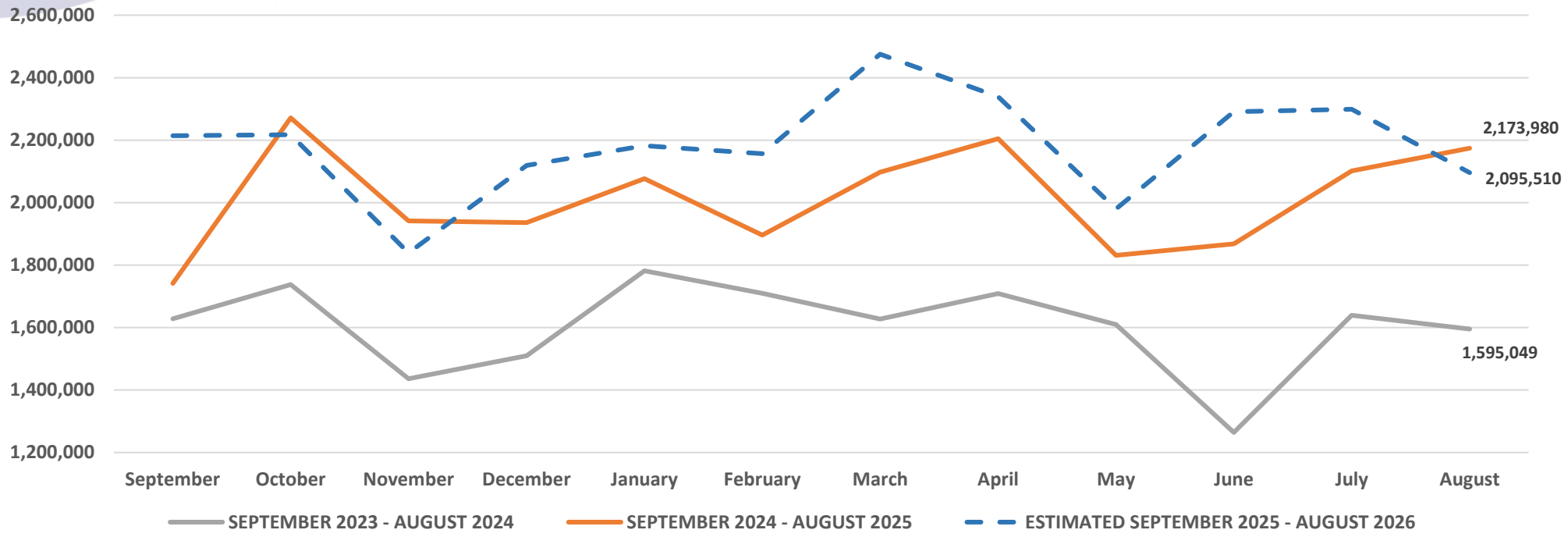
SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS YTD FY26 (ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

Income Statement Grouping	Current Period Actual	Current Period Budget - Original	Current Period Budget Variance - Original	% Variance	YTD - Variance Explanations
Revenues					
Net Patient Service Revenue	5,493,434	4,296,307	1,197,127	28%	Favorable variance due to visits being higher than budget by 255 visits and the base rate per visit higher than budget.
Capitation Revenue	983,586	666,667	316,920	48%	Favorable due to significant increase in membership assigned by Health Plan of San Joaquin in August.
Managed Care Incentives	90,000	133,333	(43,333)	-32%	Unfavorable mainly due to lower HEDIS Gap Closure Block Access revenue accrued for August based on the updated contract terms effective January 2026.
Grant Revenue	140,797	162,292	(21,495)	-13%	Unfavorable variance due to actual ARPA grant revenue lower than budget and no recognized revenue for budgeted Discovery Challenge Academy grant.
340B Pharmacy Program	294,715	450,000	(155,285)	-35%	Unfavorable variance mainly due to increasing manufacturer restrictions and Inflation Reduction Act effective January 2026.
MOU & Other Income	378,701	331,935	46,766	14%	Favorable due to MOU chargeback $14K higher and actual interest income $31K higher than budget.
Expenditures					
Salaries & Wages	3,887,692	4,157,723	270,032	6%	Favorable variance mainly related to vacancies. FY27 salaries and benefits budgeted at 100% employment. Actual August 2026 FTEs for direct hire positions are 200 compared to budgeted FTEs for 242.
Employee Benefits	2,123,072	2,601,946	478,874	18%	Favorable variance mainly related to vacancies. FY27 salaries and benefits budgeted at 100% employment. Actual August 2026 FTEs for direct hire positions are 200 compared to budgeted FTEs for 242.
Professional Fees	850,464	2,451,431	1,600,967	65%	Favorable variance mainly due to lower actual utilization of medical support staff, consulting, and other professional services than budget.
Telephone & Internet	27,627	41,198	13,571	33%	Favorable variance due to actual telecommunication expenses lower than budget.
Advertising & Promotions	12,520	28,889	16,369	57%	Favorable variance mainly related to lower actual marketing expenses than budget.
Travel & Training	57,618	83,524	25,905	31%	Favorable variance due to actual travel and training expenses lower than budget.
Insurance	57,277	41,473	(15,804)	-38%	Unfavorable variance mainly related to higher than anticipated malpractice insurance expenses for contracted medical staff and unbudgeted directors and officers insurance.
Rent	221,115	468,939	247,824	53%	Favorable variance mainly related to rental for Health Plan of San Joaquin and Lodi clinic that have not started yet.
Other Minor Equipment	29,883	36,343	6,460	18%	Favorable variance due to actual other minor equipment expenses lower than budget.
Miscellaneous	19,963	71,651	51,688	72%	Favorable variance mainly related to actual expenses lower than budget for recruiting and motorpool.

SJ HEALTH BALANCE SHEET- AUGUST 2026

	FY2026 JUNE 30, 2026 (UNAUDITED)	FY2027 JULY 31, 2026	FY2026 AUGUST 31, 2026
Assets			
Cash & Cash Equivalents	51,779,414	52,537,529	50,869,065
Accounts Receivable	1,924,930	1,669,130	1,532,996
Property & Equipment	1,777,268	1,720,610	1,665,167
Other Assets	29,078,228	31,129,046	33,607,529
Total Assets	84,559,840	87,056,315	87,674,757
Liabilities			
Accounts Payable	706,778	1,065,222	(260,111)
Other Liabilities	5,696,305	5,978,825	6,204,732
Deferred Revenue	1,800,000	1,800,000	1,800,000
Total Liabilities	8,203,083	8,844,048	7,744,621
Net Assets			
Beginning Net Assets	62,117,994	74,336,106	62,117,994
Unrestricted Net Assets	2,020,650	2,020,650	2,020,650
Current YTD Net Income	12,218,113	1,855,511	15,791,492
Total Net Assets	76,356,757	78,212,267	79,930,136
Total Liabilities and Net Asset	84,559,840	87,056,315	87,674,757

36-MONTH TRENDS - CASH COLLECTED



FY27 Collections By Financial Class	%
Medicaid	94.36%
Medicare	5.38%
Self-Pay	0.22%
Commercial	0.04%
Total	100.00%

NOTE: COLLECTIONS FROM SEPTEMBER 2025 THROUGH AUGUST 2026 HAVE BEEN ESTIMATED BASED ON THE HISTORICAL COLLECTIONS TREND. INCREASE IN COLLECTIONS FROM SEPTEMBER 2025 THROUGH AUGUST 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 FY26 (UNAUDITED)	SJ HEALTH FYTD FY27
FINANCIAL HEALTH					
1 Operating Margin As a % of Operating Revenue	**>3%**	4%	5%	19.1%	**28.6%**
2 Bottom Line Margin As a % of Operating Revenue	**>3%**	6%	6%	19.1%	**28.6%**
3 Days Cash on Hand	**>60 Days**	105	129	371	**358**
4 Days in Net Patient Receivables	**<45 Days**	36	39	36	**32**
5 Personnel-Related Expense (PRE) As a % of Operating Revenue	**<70%**	69%	72%	66%	**59%**

SJ HEALTH
San Joaquin Health Centers

October 27, 2026

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

Dear Board Members,

Adopt of Updated Financial Management Policies

RECOMMENDATION

It is recommended that the Board of Directors adopt the updated financial management policies.

REASON FOR RECOMMENDATION

SJ Health's financial management policies were initially created in April 2021. In April 2025, County Board of Supervisors organized SJ Health under Healthcare Services (HCS) Department. As SJ Health is gearing up for the upcoming Operational Site Visit (OSV), staff reviewed and made updates to the policies as needed. The changes are to ensure all policies properly align with HRSA as well as County policy.

The Finance Committee reviewed the updated Financial Management Policies and recommended their adoption by the Board of Directors.

FISCAL IMPACT

There is no fiscal impact associated with this action.

ACTION TO BE TAKEN FOLLOWING APPROVAL

Upon adoption by the Board of Directors, Financial Management Policies will be published on Compliatric system.

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POL-2000 Internal Controls and Lines of Authority

Management of San Joaquin County Clinics (SJCC) has the primary responsibility for setting the control environment, performing risk assessments, establishing control activities, accumulating and communicating relevant financial information, and monitoring the quality of controls over time. The Board of Directors oversees this effort. The Financial Management Policies and Procedures Manual is reviewed and approved as official policy of SJCC by the Board of Directors. All SJCC staff are bound by the policies herein, and any deviation from established policy is prohibited. The Board of Directors approves SJCC's fiscal policies, operating and capital budgets. Upon approval of the SJCC Board of Directors, annual operating and capital budgets must have final approval from the San Joaquin County Board of Supervisors.

POL-2100 Organizational Chart – Finance Department

To provide a clear understanding of key members and reporting authority of SJCC Finance

Department The Project Director or designee supervises the following functions:

- General Accounting
- Revenue Cycle Management
- Procurement / Contract Management, subject to the Board approved budget, State law, and County policy
- Cost Reporting & PPS Reconciliation

POL-2150 Access to Electronically Stored Accounting Data

It is the policy of SJCC to utilize passwords to restrict access to accounting software and its data. Only authorized personnel with data input responsibilities will be assigned passwords that allow access to the system. Each password enables a user to gain access to software and data files necessary for each employee's required duties.

POL-2200 Account Definitions

Assets are probable future economic benefits obtained or controlled by the organization as a result of past transactions or events. Assets of SJCC are classified as current assets, fixed assets, contra assets and other assets. ***Current assets*** are assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash and receivables that will be collected within one year of the statement of financial position date.

Fixed Assets are assets having a value of $10,000 or more and a useful life of two years or more. They are broadly classified as land, buildings, improvements/betterments, and equipment.

Contra-assets are accounts that reduce asset accounts, such as accumulated depreciation and reserves for uncollectible accounts receivable.

Other assets include long-term assets that are acquired without the intention of disposing them in the near future. Some examples are security deposits, property and long-term investments.

Liabilities are probable future sacrifices of economic benefits arising from present obligations of the organization to transfer assets or provide services to other entities in the future as a result of the past transaction or events. Liabilities of SJCC are classified as current or long-term.

Current liabilities are probable sacrifices of economic benefits that will likely occur within one year of the date of the financial statements or which have a due date of one year or less. Common examples of current liabilities include accounts payable, accrued liabilities, short-term notes payable, and deferred revenue.

Long-Term Liabilities are probable sacrifices of economic benefits that will likely occur more than one year from the date of the financial statements. An example is the non-current portion of a mortgage loan.

Net Assets is the difference between total assets and total liabilities. See the next section for SJCC's policies on classifying net assets.

Revenues are inflows or other enhancements of assets, or settlements of liabilities, from delivering or producing goods, rendering services, or other activities that constitute an organization's ongoing major or central operations. Revenues of SJCC include patient services fees, Medicare/Medicaid fees, third party payor fees and other miscellaneous income. Revenues of SJCC also include contributions received from donors and grants received from governmental agencies, private foundations, and corporations.

Expenses are outflows or other using up of assets or incurrence of liabilities from delivering or producing goods, rendering services, or carrying out other activities that constitute SJCC's ongoing major or central operations.

POL-2250 Classification of Net Assets

Net assets of SJCC shall be classified based upon the existence or absence of donor-imposed restrictions as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be satisfied through the cations of SJCC and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that the organization permanently maintain certain contributed assets. Generally, donors of such assets permit the organization to use all or part of the income earned from permanently restricted net assets for general operations or for specific purposes.

POL-2300 Fixed Assets Management

Capital expenditures include the purchase of buildings, equipment and leasehold improvements costing more than $10,000 and having a useful life greater than two years. For accounting purposes, these expenditures are immediately capitalized. The $10,000 guideline is applied to an individual item or equipment project.

Donated assets are treated as fixed assets when their fair market value exceeds $10,000 and their useful life extends beyond two years. Donated assets are recorded at the approximate fair market value at the time of the donation. Used equipment is capitalized using the same general guidelines as new equipment except that the useful life is shorter.

Asset Classes

Definition of a Fixed Asset

a Fixed Assets are assets having a value of $10,000 or more and a useful life of two years or more. They are broadly classified as land, buildings, improvements/betterments, and equipment.

Basis for Valuation

a Historical cost will be used in most cases. Fair market value will be used when historical costs cannot be found or the cost is misleading, e.g. surplus property purchased at a fraction of its value, or donated property.

Real Property

a Land - Includes investment in real estate without regard for significance of cost except structures and improvements and land acquired for street and road purposes. The cost of land includes all expenditures connected with its acquisitions, such as purchase price, appraisal and negotiation fees, title search fees, surveying fees, payment of damages, clearing land for use, demolishing or removing structures, filing costs, etc. Receipts from the sale of salvage should be credited against the land cost. Land is to be capitalized regardless of its value.

b. Structures and Improvements - Includes physical property of a permanent nature, e.g. buildings, structural attachments, storage tanks, reservoirs, and parking areas including sidewalks, trees, and drives. Capitalize if the cost is at least $10,000.

c. Betterments–Structures and Improvements - Includes replacement of a unit of an existing asset by an improved or superior unit resulting usually in a more productive, efficient, or longer-lived property. Capitalize significant betterments which cost at least $10,000 or 20% of the recorded value of the asset whichever is lower.

d. Additions - Additions are new and separate units or extensions of existing units which increase the floor size and are considered fixed assets. Use the criteria applied to betterments for capitalization purposes.

Equipment

a. Minor Equipment – Small Tools and Instruments - Includes relatively small-size equipment with a unit cost of less than $10,000 and a useful life of two years or more. Small tools and instruments will not be capitalized. Any small tools or instruments with a unit cost of $1,000 to $10,000 will be included in the property inventory records for physical control purposes. All small tools and instruments will be purchased from the Services and Supplies object of expenditures.

b. Major Equipment – Other Than Furniture - Includes movable personal property of a relatively permanent nature and of significant value such as machines, tools, and vehicles. Capitalize equipment with a cost of at least $10,000 and an estimated useful life of two years or more.

Furniture

a. All furniture with a unit cost less than $10,000 will not be capitalized but will be included in the property inventory records for physical control purposes. All furniture with a unit cost of at least $10,000 will be capitalized.

b. All furniture will be considered as Fixed Assets for budget purposes regardless of cost.

Betterments – Equipment

a. Betterments and improvements extend life and increase the productivity of an asset. Capitalize if the cost is at least $10,000 and the estimated useful life of the asset is extended by at least two years.

Lease–Purchase Agreements

a. Lease payments must be charged to operations as rent. Major lease agreements qualified as lease–purchases will be capitalized by the Auditor–Controller's Office. When title of the fixed assets is acquired, report the acquisition of fixed assets to, and obtain an ID tag from the Auditor-Controller. The value of fixed assets should be recorded as zero in the inventory record. A memorandum should be sent to the Audit Division of the Auditor–Controller's Office indicating the acquisition of the title.

b. The above policy will not apply to enterprise funds and internal service funds.

Property Records

a. Adequate individual records must be maintained for all fixed assets. Small tools and instruments (equipment with a unit cost of at least $1,000 but less than $10,000) are not capitalized but must be included in the property inventory records of the department where this equipment is located and properly accounted for.

Disposition of Fixed Assets

a. Fixed assets may be sold, abandoned, or traded in on new assets according to approved procedures. Regardless of the manner of disposition or the amount of the proceeds, the assets must be removed from the fixed assets accounts and records at their recorded value. Except for enterprise funds and internal service funds, no gain or loss from disposition of fixed assets will be recognized. Any proceeds received from the disposition of general fixed assets will be recorded as revenue in the specific fund which originally acquired the assets or to which the assets have been transferred as donated capital.

Accountability for Fixed Assets

a. A complete physical inventory of equipment (including minor equipment) will be taken at intervals prescribed by law. Any shortages or overages will be investigated and properly explained. Any shortage which remains unexplained after a reasonable effort to determine the cause may be reported to the Board of Supervisors for appropriate action.

Depreciation

a. No depreciation is required for office buildings, structures and improvements, plants, furniture, and equipment acquired by County governmental funds except for data processing equipment acquired by the Information Systems Division for its own use. Depreciable assets belonging to either enterprise funds or internal service funds will be depreciated over its useful life. Data processing equipment acquired by the Information Systems Division for its own use will be depreciated over its useful life.

Transfers

a. When depreciable assets are transferred, the net book value will be the basis of valuation for the assets transferred.

POL-2400 Cash Management

To ensure the safeguarding of all funds received by SJCC, the following policies have been established:

Banking – General

SJCC funds shall be held in the County Treasury. In addition, SJCC continues to maintain two (2) bank accounts outside of County Treasury for official business. The balances on these accounts will remain minimal to meet obligations for payroll, 340B Pharmacy Project, and other business transactions, until such time as all funds can be moved to the County Treasury. All excess funds in outside bank accounts will be transferred to County Treasury.

The Board of Directors will approve the addition or deletion of any signers to the bank accounts outside of County Treasury. The Board of Directors will also approve the change in authorized officers for the bank accounts outside of County Treasury.

Bank Accounts: Agency funds will be deposited in interest bearing accounts where appropriate.

Bank Reconciliations: Bank accounts are reconciled monthly. Bank reconciliations must be reviewed by an individual independent of the cash receipts and cash disbursement functions. Bank reconciliations should be completed by the tenth business day of the month. Submit completed reconciliation to Auditor Controller Office and County Administrator Office by the third week of the following month.

POL-2450 Cash Receipts

Cash Receipts Record

a. Any money received by a department shall be recorded in a cash receipts journal or cash receipts record. Only receipts or receipt books furnished or approved by the Auditor-Controller shall be used, except machine receipts. Press-numbered receipt books shall be obtained from the Auditor-Controller. One-write receipts, as approved in design by the Auditor-Controller, shall be purchased by individual departments. Machine or computer receipts shall be approved in format by the Auditor-Controller. Each department is accountable for the number of receipt books purchased or obtained from the Auditor-Controller.

Deposits (Pay-In)

a. Monies received shall be deposited intact in the County Treasury or an authorized bank account immediately.

Monthly Cash Receipts Record

a. Each County department which receives fees, fines, and/or other money of whatever nature, kind, or description should maintain a monthly cash receipts summary report showing total money received and deposited during the month by nature of the receipts.

POL-2500 Cash Disbursement

Cash can be disbursed in several ways.

Petty cash funds are available as change at various clinic locations and Finance. Each clinic shall designate an employee or employees within each clinic who shall maintain the petty cash box within each clinic. Petty cash funds must be located in the cash box at all times when not in use, and the petty cash box must be placed in a locked drawer or secured area when not in use. Only the designated employee(s) and any named backup employees (preferably management) shall have access to the key. Receipts must be made and kept for each transaction using petty cash, signed by the employee making the transaction. Funds may only be used for clinic business, no personal expenditures or borrowing from petty cash is allowed. Petty cash is subjected to audit by Finance.

Please refer to POL-2800 Procurement for further information related to cash disbursement.

POL-2600 Payroll

SJCC employees are hired by County of San Joaquin and are paid biweekly. The biweekly payroll period ends at midnight (12:00 A.M.) on Sunday.

SJCC employees are to enter hours worked in county payroll system. SJCC employees are to submit absence in payroll system for both paid and unpaid hours.

Salaries and benefits that are funded by federal grant are to be consistent with 45 CFR 75.430 Standards for Documentation of Personnel Expenses for Department of Health and Human Services (HHS) federal awards.

POL-2700 Chart of Accounts

SJCC will maintain a Chart of Accounts that will provide the necessary level of detail for accurate recording of the accounting transactions of the agency. The details will establish and provide continuity in reporting and information.

POL-2800 Procurement

All Procurements shall be in accordance with San Joaquin County Policies and federal requirement.

Ethical Procurement Practices

a. It is the policy of San Joaquin County to maintain good working relationships with its vendors and suppliers, as well as the community at large. Every employee has the ability to influence the opinions of others through daily interaction with the business community. In personal contacts with vendors and suppliers, employees shall represent the best interests of the County by conducting business in a fair, equitable, and ethical manner.

Conflict of Interest Statements

a. County officers and employees must avoid all conflicts of interest involving their public employment. Thus, the County Counsel may not represent persons filing suit against the County and a County building inspector may not contract to do work which he/she will be required to inspect as a public employee. Possible examples are unlimited in number. Frequently the conflict is more subtle than the examples given.

b. A Conflict of Interest by definition is the misuse of public employment for direct or indirect private financial gain. However, in a broader sense a conflict of interest encompasses any interest potentially adverse to the interest of one's public employer including any activity where one's loyalties may be called into question.

c. SJCC provides an updated list of job titles and names of employees to Healthcare Services Administration Office. Form 700 Conflict of Interest reporting will be distributed accordingly and file annually.

d. SJCC collects the Form 700 from members of Board of Directors annually.

Purchase/Rent/Lease of Personal Property

a. The Purchasing Agent, is responsible for the procurement of all goods and services requested by County Departments including SJCC.

b. To facilitate procurement, the County Purchasing Agent has established methods by which goods and services may be purchased. Those methods are outlined as follows:

    1. Purchase Order – created by Purchasing & Support Services (Purchasing).

    2. Confirming Purchase Order – purchase authorized by Purchasing but made by the ordering department.

    3. Purchasing Card – a credit card issued by Purchasing to authorize County employees to purchase goods up to $1,000 in value. All purchases are subject to terms, conditions, and restrictions as noted in the Purchasing Card Policies and Procedures (Section 2733 et seq. of the San Joaquin County Administrative Manual)

    4. Term/Blanket Agreement – created by Purchasing, when requested, to cover repetitive type procurements. Allows the department to place orders directly with vendors, within the terms of the agreement.

c. For more detailed explanations of these processes and to receive authorizations to utilize any of them, contact Purchasing.

Exclusions

a. Expenditures where the selection of the vendor where a competitive process is not feasible. Authorization for payment of these expenditures should be submitted directly to the Auditor-Controller via the voucher process. The following commodities and services do not require the normal competitive purchasing process. Purchase orders are required for payment.

    1. All payments authorized under contracts executed by the Board of Supervisors.

    Examples: Certain professional service contracts in excess of $200,000

    Real property rents and leases

b. Other expenditures where the selection of the vendor may not be made through a competitive process. Authorization for payment of these expenditures should be submitted directly to the Auditor-Controller via the voucher process.

Examples:
Utilities – gas, electric, telephone
Public transportation
PUC controlled rates – freight, mail
State of California – forms, surplus food, weights & measures
Memberships
Registration fees – conference, training
Parking fees
Permit & license fees
Advertising – classified
Damage claims
Insurance premiums
Witness fees and expenses
County Counsel or authorized designee may contract for expert or professional services
Legal transcripts
Travel expenses
Tuition refunds Oral board expenses
Any one-time service under $1,000 that does not require insurance

c. Questions should be directed either to the Auditor-Controller or the Purchasing Agent.

Contract Authority for Professional Services Contracts

a. The Purchasing Agent's authority is $200,000 per vendor, per year, in County aggregate for professional services contracts.

b. As part of the annual County budget process, County departments including SJCC are to anticipate professional services needs per vendor that are less than $200,000 and request spending authority in advance. "Contract Authority Request Forms" will be included in the annual County budget process and must be completed and submitted as instructed.

c. Department projects that require a professional services agreement in excess of $200,000 are required to seek Board of Supervisors approval for that project independently.

d. The Purchasing Agent, as part of the Final Budget approval, shall aggregate articulated needs from Departments by vendor, and seek contract authority form the Board of Supervisors as an action for many vendors across multiple Departments.

e. The Purchasing Agent may execute multi-year agreements up to a five (5) year term with a not to exceed value of $1,000,000. Authority to approve Agreements exceeding a 5-year term must be approved by the County Administrator's Office or the Board of Supervisors.

Emergency Purchases Policy

a. Emergency purchases may be made by any person or an official authorized to sign requisitions when:
    1. The Purchasing Agent (or any assistant in the Purchasing Division authorized to make purchases) is not available.

    2. The items to be purchased are needed immediately for the continued operation of the department involved.

    3. The items are needed immediately to preserve life or property.

Rental Lease, or Lease/Purchase of Items

a. All lease/purchase agreements shall be negotiated and contracted for by the Purchasing Agent and/or an assigned deputy.

b. All lease/purchase requests must be approved by the County Administrator and/or the Board of Supervisors.

c. Lease/purchase contracts are not to be used to circumvent the normal fixed assets budget procedures.

POL-2910 Credit Cards

Credit cards are to be obtained through Purchasing and Support Services Department.

POL-3000 Transportation, Travel & Meals

Travel Outside the State

A. Travel outside the State of California is normally discouraged. When such travel is considered in the best interest of SJCC, specific approval must be obtained via a Spend Authorization in advance from the Board of Supervisors when the per employee cost of the trip (regardless of funding source) is over $5,000 or from the County Administrator when the per employee County cost of the trip is $5,000 or less.

B. Trips to the Tahoe basin, Reno, or Las Vegas areas are considered under the in-state policies.

Travel Outside the County

A. Except for emergency and one-day trips (see section Outside of County One Day Trips below), all official travel outside the County of San Joaquin, but within the State of California, shall have prior approval via a Travel Request form of:
   a. The County Administrator and the department head if the per employee cost of the trip (regardless of funding source) is over $2,000.
   b. The HCS department head or their designee if the per employee cost of the trip (regardless of the funding source) is $2,000 or less.

B. Travel to a facility owned and operated by the County of San Joaquin located outside the County shall be considered as travel within the County.

C. Except for one-day trips, requests for a department head to attend an out-of-County meeting shall be approved by the County Administrator (or designee). The name of the individual responsible for departmental functions during the department head's absent should be indicated.

D. Requests for official travel outside the County of San Joaquin which require approval of the County Administrator shall, except in emergencies, be submitted to the County Administrator (or designee), at least two weeks in advance of such trip.

E. Emergency trips will be reported to the County Administrator (or designee) as soon as possible.

Travel Outside of United States

A. SJCC does not allow travel outside the United States.

Outside of County, One-Day Trips

a. One-day trips out-of-County shall *not require a Spend Authorization* where the following provisions apply:

1. The travel is required by the department in the performance of its normal functions and is in the course of the employee's regularly assigned duties.
2. Maximum duration of the trip is one day.
3. Transportation by County vehicle, private vehicle, ride-share service, or public transit (BART, ACE, light rail, etc.).
4. Total expenses other than mileage reimbursement for use of private vehicles do not exceed $500. Mileage shall be reimbursed based on the shortest available route, regardless of the actual route taken.
5. There is no lodging expense.

b. Meals may be eligible for reimbursement if more than half of the scheduled workday takes place out-of-County. Meal eligibility shall be reviewed with management for appropriateness.

c. Department heads are required to keep adequate records of any of the above trips authorized so that the necessity of the trip can be audited.

Spend Authorization Exceptions

a. The types of travel listed do not require a Spend Authorization prior to travel:

1. Continuing education trips for health care professionals, where the County cost is limited to a fixed amount by agreement or established department policy.
2. Travel of employees of SJCC required to accompany patients, clients, or minors in the course of their duties.

POL-3100 Financial Planning and Reporting

The Board of Directors (BOD) provides general guidance for financial policies, internal controls, investment (when applicable), budgeting and financial compliance issues. The Board approves financial policies and budgets. The members of BOD receive copies of monthly reports prior to Board meetings. The San Joaquin County Board of Supervisors shall have final authority to approve the annual and operating budgets. The San Joaquin County Board of Supervisors or County Administrator Office shall have sole authority to allocate and disburse any and all Quality Incentive Program (QIP) funding payments.

Budgeting

The Board of Directors and San Joaquin County Board of Supervisors are responsible for reviewing and approving the annual operating budget of SJCC.

Internal Financial Reports

SJCC prepares financial reports monthly. All reports are finalized no later than sixty (60) days after the close of the prior month. Reports will be presented at Finance Committee for recommendation to BOD approval.

External Financial Reporting

SJCC shall comply with all external reporting requirements to include, not limited to:

1. HHS/HRSA – Budget Period Renewals
2. HHS/HRSA – Financial Status Reports per the terms and conditions of the award.
3. HHS/HRSA – Federal Financial Report / Federal Cash Transaction Report on a quarterly basis within 30 days of the quarter's end per the terms and conditions of the award as applicable.
4. Annual independent audit within nine months of the fiscal year end.
5. Medicare Cost Report within five months of the fiscal year end.

Independent Audit

SJCC shall undergo an annual independent financial audit at the end of each fiscal year. A Single Audit will take place to meet federal grant requirements if federal expenditures exceed the threshold of one million dollars ($1,000,000). A management letter will be issued to identify findings if necessary. Correction Action Plan will be prepared by SJCC Management.

POL-3200 Federal Grant

To ensure federal grant expenditures are made and administered in a manner consistent with the terms and conditions in SJCC's grant and the standards required by the US Department of Health and Human Services.

Nature of Expenditures: Expenditures selected for SJCC federal grant will be based solely on the direct activities allowable per the grant and within SJCC's approved scope of project. The documentation maintained for each federal grant payment will account for the receipt, obligation, and expenditure of funds and reconciled to the approved federal grant budget. Documentation will include the following:

1. Each invoice shall be allocated appropriately using the chart of accounts.

2. Invoices are approved and agreed to SJCC's federal grant budget by Finance.

Documentation: Charges to federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on documented payroll reports. The distribution of salaries and wages to federal awards must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Reports reflecting the distribution of activity of each employee must be maintained. These reports will document in detail the expenses being charged to the grant and reconciled to the federal grant drawdown. Equipment purchased using federal funding shall be accounted for as a direct cost of that award.

Salary Limits: SJCC adheres to The Consolidated Appropriations Act, 2012 (P.L. 112-74) that the limits the salary amount that may be awarded and charged to HRSA grants. SJCC does not charge the federal award base salary (exclusive of fringe benefits) over the Executive Level II rate. The policy limit will automatically be adjusted as permitted by Federal Regulations.

Grant Drawdowns: The Finance department creates a request each time funds are drawn from the Payment Management System. The request contains the amount to be drawn and date the drawdown is processed. In the accounting records SJCC will include an expense activity report from the accounting system that will support the PMS drawdown request. Invoices, payroll reports and source documentation is kept for auditing purposes. The request shall be approved by the Project Director or designee.

POL-3300 Legislative Mandates Restricting the Uses of Federal Grant Funds

Background: Compliance with Consolidated Appropriations Act

The Further Consolidated Appropriations Act, 2021 (Public Law 116-260), signed into law on December 27, 2020, includes provisions that restrict grantees from using their federal grant funds to support certain defined activities. These limitations are commonly referred to as the "Legislative Mandates."

SJCC is committed to high standards and compliance with all applicable laws and regulations.

The purpose of this policy and the associated procedures is to provide safeguards to ensure SJCC's compliance with the Legislative Mandates.

The current Legislative Mandates, which remain in effect until a new Appropriations Act is passed, include the following:

Division E, Title VII
(1) Confidentiality Agreements (Section 742**)**

Division H, Title II
(2) Salary Limitation (Section 202)
(3) Gun Control (Section 210)

Division H, Title V
(4) Anti-Lobbying (Section 503)
(5) Acknowledgment of Federal Funding (Section 505)
(6) Restriction on Abortions (Section 506)
(7) Exceptions to Restriction on Abortions (Section 507)
(8) Ban on Funding Human Embryo Research (Section 508)
(9) Limitation on Use of Funds for Promotion of Legalization of Controlled Substances (Section 509)
(10) Restriction of Pornography on Computer Networks (Section 520)
(11) Restriction on Funding ACORN (Section 521)
(12) Restriction on Distribution of Sterile Needles (Section 527)

A complete description of the Legislative Mandates for fiscal year 2021 is included in HRSA Bulletin, 2021-03E (February 16, 2021).

Policy

(1) Confidentiality Agreements – (a) None of the funds appropriated or otherwise made available by this or any other Act may be available for a contract, grant, or cooperative agreement with an entity that requires employees or contractors of SJCC seeking to report fraud, waste, or abuse to sign internal confidentiality agreements or statements prohibiting or otherwise restricting such employees or contractors from lawfully reporting such waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information. (b) The limitation mentioned above shall not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information.

(2) Salary Limitation – SJCC shall not use federal grant funds to pay the salary of an individual at a rate in excess of Executive Level II. As of January 2021, the Executive Level II salary is set at $199,300.

(3) Gun Control –SJCC shall not use federal grant funds to advocate or promote gun control.

(4) Anti-Lobbying

a. SJCC shall not use federal grant funds, other than for normal and recognized executive legislative relationships, for the following:

- For publicity or propaganda purposes,
- For the preparation, distribution, or use of any kit, pamphlet, booklet, publication, electronic communication, radio, television, or video presentation designed to support or defeat the enactment of legislation before the Congress or any State or local legislature or legislative body, except in presentation to the Congress or any State or local legislature itself, or designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any State or local government, except in presentation to the executive branch of any State or local government itself.

b. SJCC shall not use federal grant funds to pay the salary or expenses of any employee or agent of SJCC for activities designed to influence the enactment of legislation, appropriations, regulation, administrative action, or Executive order proposed or pending before the Congress or any State government, State legislature or local legislature or legislative body, other than for normal and recognized executive-legislative relationships or participation by an agency or officer of a State, local or tribal government in policymaking and administrative processes within the executive branch of that government.

c. The prohibitions in subsections 1 and 2 include any activity to advocate or promote any proposed, pending or future Federal, State or local tax increase, or any proposed, pending, or future requirement or restriction on any legal consumer product including its sale or marketing, including but not limited to the advocacy or promotion of gun control.

(5) Acknowledgment of Federal Funding –When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with federal money, SJCC shall clearly state:

a. the percentage of the total costs of the program or project which will be financed with Federal money;

b. the dollar amount of Federal funds for the project or program; and

c. percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

(6) Restrictions on Abortions, and Exceptions to these Restrictions –SJCC shall not use federal grant funds for any abortion or for health benefits coverage that includes coverage of abortion. These restrictions shall not apply to abortions (or coverage of abortions) that fall within the Hyde amendment exceptions.

(7) Exceptions to Restriction on Abortions

a. The limitations established in the proceeding section shall not apply to an abortion

   i. if the pregnancy is the result of an act of rape or incest

   ii. in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed

b. Nothing in the preceding section shall be construed as prohibiting the expenditure by a State, local, entity or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid matching funds).

c. Nothing in the preceding section shall be construed as restricting the ability of any managed care provider from offering abortion coverage or the ability of a State or locality to contract separately with such a provider for such coverage with State funds (other than a State's or locality's contribution of Medicaid matching funds).

d. (1) None of the funds made available in this Act may be made available to a Federal agency or program, or to a State or local government, if such agency, program, or government subjects any institutional or individual health care entity to discrimination on the basis that the health care entity does not provide, pay for, provide coverage of, or refer for abortions.
(2) In this subsection, the term "health care entity" includes an individual physician or other health care professional, a hospital, a provider-sponsored organization, a health maintenance organization, a health insurance plan, or any kind of health care facility, organization, or plan.

Note: SJCC does not perform abortions of any type

(8) Ban on Funding of Human Embryo Research –

(a) SJCC shall not use federal grant funds for (i) the creation of human embryos for research purposes; or (ii) research in which a human embryo or embryos are destroyed, discarded, or knowingly subjected to risk of injury or death greater than that allowed for research on fetuses in utero under 45 CFR 46.204(b) and section 498(b) of the Public Health Service Act (42 U.S.C. 289g(b)).

(b) For purposes of this section, the term "human embryo or embryos" includes any organization not protected as a human subject under 45CFR46 as of the date of the enactment of this Act, that is derived by fertilization, parthenogenesis, cloning, or any other means from one or more human gametes or human diploid cells.

(9) Limitations on Use of Grant Funds for Promotion of Legalization of Controlled Substances –

(a) SJCC shall not use federal grant funds to promote the legalization of any drug or other substance included in schedule I of the schedules of controlled substances established under section 202 of the Controlled Substances Act except for normal and recognized executive-congressional communications.

(b) This limitation shall not apply when there is significant medical evidence of therapeutic advantage to the use of such drug or other substance or that federally sponsored clinical trials are being conducted to determine therapeutic advantage.

(10) Restriction of Pornography on Computer Networks—

(a) SJCC shall not use federal grant funds to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography.

(b) Nothing in subsection (a) shall limit the use of funds necessary for any federal, state, tribal or local law enforcement agency or any other entity carrying out criminal investigations, prosecutions, or adjudication activities.

(11) Restriction on Funding ACORN –SJCC shall not provide any federal grant funds to the Association of Community Organizations for Reform Now ("ACORN"), or any of its affiliates, subsidiaries, allied organizations, or successors.

(12) Restriction on Distribution of Sterile Needles –SJCC shall not use federal grant funds to distribute sterile needles or syringes for the hypodermic injection of any illegal drug; Provided, that such limitation does not apply to the use of funds for elements of a program other than making such purchases if the relevant State or local health department, in consultation with the Centers for Disease Control and Prevention, determines that the State or local jurisdiction, as applicable, is experiencing, or is at risk for, significant increase in hepatitis infections or an HIV outbreak due to injection drug use, and such program is operating in accordance with State and local law.

POL-3400 Record Retention

Records and documents, regardless of physical form, must be maintained according to specified guidelines that will ensure compliance with federal and state laws and regulations and county policies, eliminate accidental or innocent destruction of records and facilitate the operation of SJCC by promoting efficiency and freeing up valuable storage space.

- The term record includes all written, printed and recorded materials, as well as electronic or digital records such as emails and electronic documents.

Record Retention

Multiple years of financial data are housed in SJCC's accounting software and county system. Reports can be generated by grant and natural expenses for any year with corresponding data in the accounting system. The accounting system can be accessed by the Finance Department.

The Federal Register requires all entities that receive federal funds to retain all documents associated with the funds for a minimum of three years. SJCC receives funding from Medicare and Medi-Cal, all related documents must be retained for a minimum of three years after the date of final settlement on the years cost report. As a general rule, the documents associated with Medicare and Medi-Cal should be retained for seven years to allow for the time lag between the submission of cost reports and the settlements from the intermediaries.

Record Retention Schedule

Item No.	Records Series/ Description	Dept Holding Official/ Original Record	Retention Official Holder
	AUDITING/FISCAL		
1.	**Audits** Reports, Correspondence, working files on internal audits.	Clerk of the Board has the original Report. Auditor-Controller has report and backup information.	Retains Permanently. Retains for 2 years.

2.	**Billings** Interdepartmental billings include Service & Stores Fund Transfers; any inter-fund transfers; also backup and support information i.e. motor pool monthly mileage reports. Outside billings-revenue generating accounts.	Auditor-Controller.	Retains for 5 years and until audited per Govt. Code 26907.
3.	**Budget and Revenue Detail** Monthly report showing Y.T.D. totals of encumbrances, expenditures and revenues, and unencumbered appropriations and estimated revenue balances respectively. Also shows details of current month's transactions.	Auditor-Controller.	Retains for 5 years or until audited.
4.	**Budget Reports** Final budget for the fiscal year is adopted by the Board of Supervisors.	Clerk of the Board.	Retains permanently.
5.	**Cash Receipts (Departmental)** Records of cash received. Includes journals, receipt books, printouts. Actual receipts retained by departments are the duplicate originals, since the original receipt is given to customer paying fee.	Any department receiving cash. Auditor-Controller.	Retains records showing cash received and monthly totals until expiration of term of officer. Govt. Code 24352 requires each officer who receives cash to keep that record available for public inspection. That record to be delivered to the Auditor on expiration to the term of the officer. Other cash receipt records to be retained until audited. Retains for 5 years after receipt from departments per Govt. Code 26907.

POL-3500 Sliding Fee Discount

San Joaquin County Clinics (SJCC) will provide a sliding fee discount program to assist all patients, regardless of insurance status, to be able to access all in-scope services regardless of ability to pay. Eligibility is based on income and family size and no other factors. The program will be designed and implemented as prescribed by the Health Center Compliance manual as published by the Bureau of Primary Health Care (BPHC), a division of the United States Health Resources & Services Administration (HRSA). No patient will be denied care due to inability to pay. SJCC's sliding fee discount (SFD) program will apply for every service, including ancillary services, within SJCC's HRSA approved scope of project. The purpose of this policy is to make available discount services to all patients at or below 200% of the Federal Poverty Guideline.

POL-3600 Charity Care

San Joaquin County Clinics (SJCC) patients may request Charity Care if they are experiencing financial hardship. The purpose of this policy is to provide guidelines for waiving or reducing patient responsibility associated with services provided any SJCC patient experiencing financial hardship. Charity Care may be approved retroactively for dates-of-service 150 days prior to the date of Charity Care application.

POL-3700 Billing & Collections

SJCC contracts with outside billing services to prepare, submit and collect claims with the objective of providing services to patients while maximizing revenue from available sources, Medicare, Medicaid, private insurance carriers, health plans, and patients.

SJ HEALTH
San Joaquin Health Centers

October 27, 2026

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

Dear Board Members,

Acceptance of the 2026–2028 San Joaquin Health Strategic Plan

RECOMMENDATION

It is recommended that the Board of Directors approve and accept the 2026–2028 San Joaquin Health (SJ Health) Strategic Plan as the organization's strategic framework for guiding priorities, initiatives, and performance improvement over the planning period.

REASON FOR RECOMMENDATION

The 2026–2028 Strategic Plan establishes a framework for advancing SJ Health's mission, improving patient access and experience, strengthening the workforce, supporting high-quality and compliant operations, and advancing integration with the County's Health Care Services (HCS) agency. The plan reflects SJ Health's operating environment, organizational needs, and opportunities associated with its transition to a federally funded Health Center under Section 330 of the Public Health Service Act.

The plan builds on the strategic planning discussions held with the Board of Directors during the May 2026 Board retreat. The strengths, weaknesses, opportunities, and threats (SWOT) analysis developed through that process helped identify key organizational challenges and opportunities and inform the plan's strategic priorities. The plan translates these discussions into strategic goals, year-one action items, and measurable performance indicators to guide implementation and evaluate progress.

The plan is organized around four strategic priorities:

1. **Patient Access** — Expand equitable access, continuity, and reach by optimizing access systems, strengthening patient engagement, and leveraging FQHC resources and partnerships.
2. **Enabled Workforce** — Develop a stable, engaged, and capable workforce through training, career development, recruitment, retention, and employee engagement strategies.
3. **Service Excellence** — Strengthen patient and staff experiences while improving quality, compliance, and operational systems to support high-performing, sustainable FQHC operations.
4. **Integration with County Health Care Services** — Leverage SJ Health's integration within HCS to advance whole-person care, align resources, strengthen population health outcomes, and improve coordination across the health and human services continuum.

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www.sjhealth.org

Each priority includes year-one action items and measurable performance indicators, supported by cross-cutting enablers in finance, technology, and governance. Key initiatives include improving appointment access and patient engagement; strengthening recruitment, retention, training, and succession planning; advancing HRSA compliance and operational readiness; and developing shared approaches to care coordination, data sharing, and resource alignment across HCS.

Approval of the plan will establish a shared framework for the Board, leadership, and staff to align efforts and resources, assign accountability, and monitor progress toward SJ Health's strategic goals. Implementation will be supported by ongoing performance monitoring, with adjustments made as appropriate in response to results, available resources, regulatory requirements, and evolving organizational and community needs.

FISCAL IMPACT

Approval of the Strategic Plan does not, by itself, authorize specific expenditures or create a separate fiscal obligation. Implementation of individual initiatives will be carried out through established budget, procurement, staffing, and approval processes, as applicable.

ACTION TO BE TAKEN FOLLOWING APPROVAL

Upon approval by the Board of Directors, SJ Health leadership will use the 2026–2028 Strategic Plan to guide operational planning, assign accountability for priority action items, monitor progress against identified measures, and provide updates to the Board on implementation.

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SJ HEALTH
San Joaquin Health Centers



THREE-YEAR STRATEGIC PLAN

2026 – 2028

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SAN JOAQUIN HEALTH CENTERS

Board of Directors

Brian Heck, *Chair*
Samantha Monks, *Treasurer*
Patricia Barrett
Destiny Easter
Nora Hana
Jayvin Herrejon
Rick Ledo
Jodie Moreno
James Myers
Mark Myles
Cymone Reyes

Management Team

Ahad Yousuf, MD
Project Director & CEO

Jonathon Diulio, MD, *CMO*

Alison Shih
Management Services Admin

Mary-Lou Milabu, MPH
Director of Quality

Vanessa Garibay, *Exec. Assistant (Clerk of the Board)*

SJHEALTH.ORG

LOCATIONS

French Camp Health Center

500 W. Hospital Road
French Camp, CA 95231

Stockton Health Center

1414 N. California Street
Stockton, CA 95202

Manteca Health Center

283 Spreckels Avenue
Manteca, CA 95336

Mobile Health Center

Location and hours vary.

Please call or text (209) 469-1723 or visit:

www.sjhealth.org/mobile
for up to date location information.



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MISSION

To optimize individual and population health outcomes by delivering high-quality, compassionate care that is equitable, accessible, and responsive to the diverse needs of our community.

VISION

A healthy San Joaquin County where every person has equitable access to exceptional care and the opportunity to achieve their best health.

CORE VALUES

Patient-Centered: We ensure that care decisions are guided by the unique health needs, preferences, and values of each patient.

Equity: We work to eliminate barriers and disparities that prevent our patients from achieving health.

Integrity: We act with transparency, accountability, and respect.

Collaboration: We succeed together—within our teams, across sites, and with our community partners.

Excellence: We pursue continuous improvement and innovation to deliver the highest quality of care.

Compassion: We serve with empathy and dignity, honoring the humanity of every person we encounter.

BACKGROUND

San Joaquin Health Centers (SJ Health) is the primary care delivery system of the San Joaquin County Health Care Services Agency, operating a network of Federally Qualified Health Center (FQHC) clinics that provide comprehensive, high-quality primary and preventive health services to residents throughout San Joaquin County. As the County's federally recognized Health Center, SJ Health is committed to improving access to care for medically underserved communities regardless of a patient's ability to pay.

San Joaquin County has provided health care services to vulnerable residents for more than 160 years through San Joaquin General Hospital and its network of community-based clinics. To strengthen and expand access to ambulatory primary care services, the County established San Joaquin County Clinics (SJCC), a California nonprofit public benefit corporation, to serve as the County's co-applicant for participation in the federal Health Resources and Services Administration (HRSA) Health Center Program. SJCC received federal recognition as a FQHC Look-Alike (FQHC-LAL) in 2014.

In April 2025, the County and SJCC executed a revised Co-Applicant Agreement that formally integrated SJ Health into the San Joaquin County Health Care Services Agency while maintaining compliance with HRSA Health Center Program governance requirements. Under this model, the County serves as the public entity, SJCC functions as the County's co-applicant governing board, and together the County and SJCC constitute the federally recognized Health Center. This governance structure preserves local oversight and accountability while aligning SJ Health's operations within the County's broader integrated health care delivery system.

Following its successful New Access Point (NAP) application, SJ Health transitioned from FQHC-LAL status to full FQHC status effective August 1, 2026, becoming eligible for federal Section 330 funding and expanded access to federal health center grant opportunities. The transition represents a significant milestone in SJ Health's development and strengthens its ability to sustain and expand services for medically underserved populations. The NAP award also establishes important near-term implementation requirements, including development and execution of a Compliance Achievement Plan and preparation for an HRSA Operational Site Visit (OSV) within four months of the transition to FQHC status. Successful completion of these requirements will be a key organizational priority during the initial phase of this strategic planning period.

As an FQHC, SJ Health will build upon the infrastructure, quality improvement systems, community partnerships, and operational experience developed during its years as an FQHC-LAL. The organization continues to expand access through initiatives such as mobile medical services, telehealth, integrated behavioral health, chronic disease management, and development of the Lodi Access Center clinic to serve individuals experiencing homelessness.

Today, SJ Health serves tens of thousands of patients each year through more than 130,000 visits across seven clinic locations and mobile services. As an integrated department within San Joaquin County Health Care Services and a newly designated FQHC, SJ Health is positioned to advance equitable access, improve quality and health outcomes, strengthen financial sustainability, and expand comprehensive, patient-centered primary care throughout San Joaquin County.

SJ Health is committed to improving access to care for medically underserved communities regardless of a patient's ability to pay.

SERVICE AREA

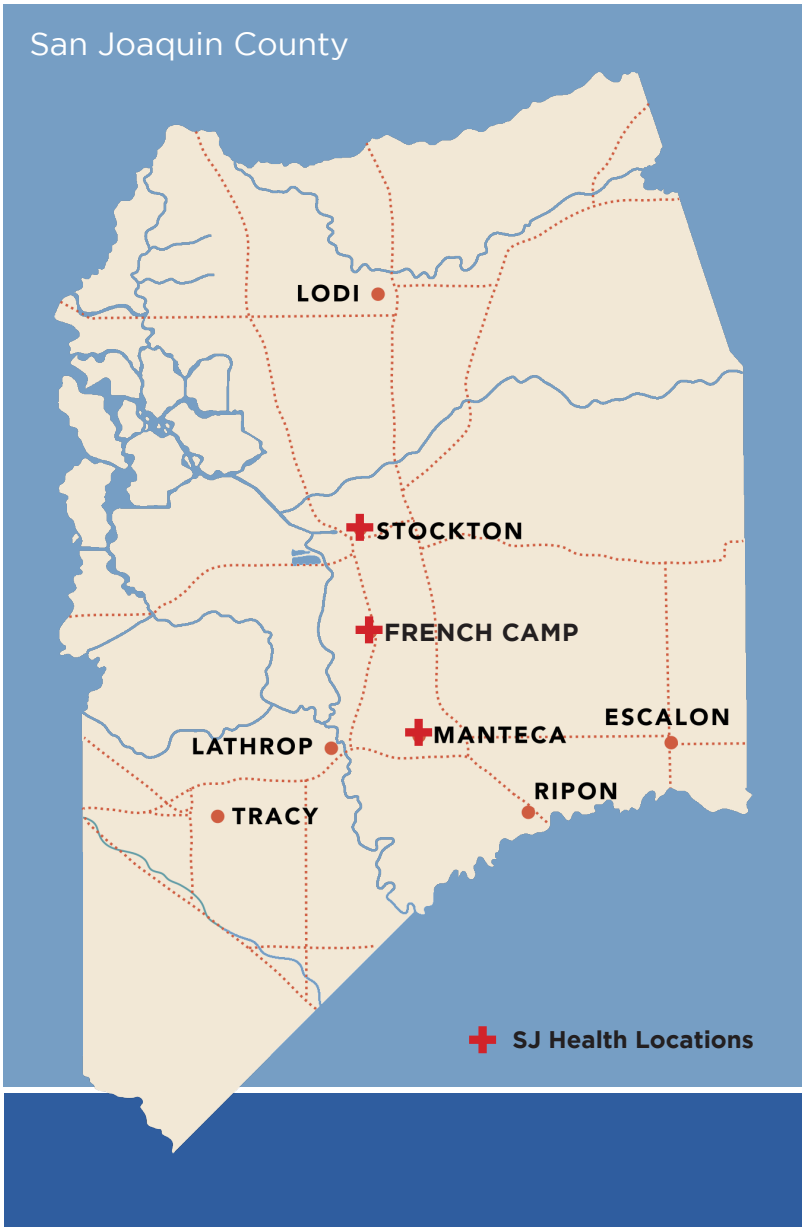
SJ Health's service area encompasses the full geographic boundaries of San Joaquin County, covering 32 ZIP codes, and is home to a population exceeding 750,000 residents. The majority of SJ Health's patients (over 95 percent) reside within this defined service area, with more than 80 percent insured through Medi-Cal.

Located in the heart of California's Central Valley, San Joaquin County is a region of striking geographic, cultural, and socioeconomic diversity. It is bordered by the San Francisco Bay Area to the west, Sacramento County to the north, the Sierra Nevada foothills to the east, and Stanislaus County to the south. The County includes seven incorporated cities—Stockton, Lodi, Manteca, Tracy, Ripon, Escalon, and Lathrop—each with unique demographic characteristics and healthcare access challenges. Stockton, the county seat, is the most populous city with more than 300,000 residents.

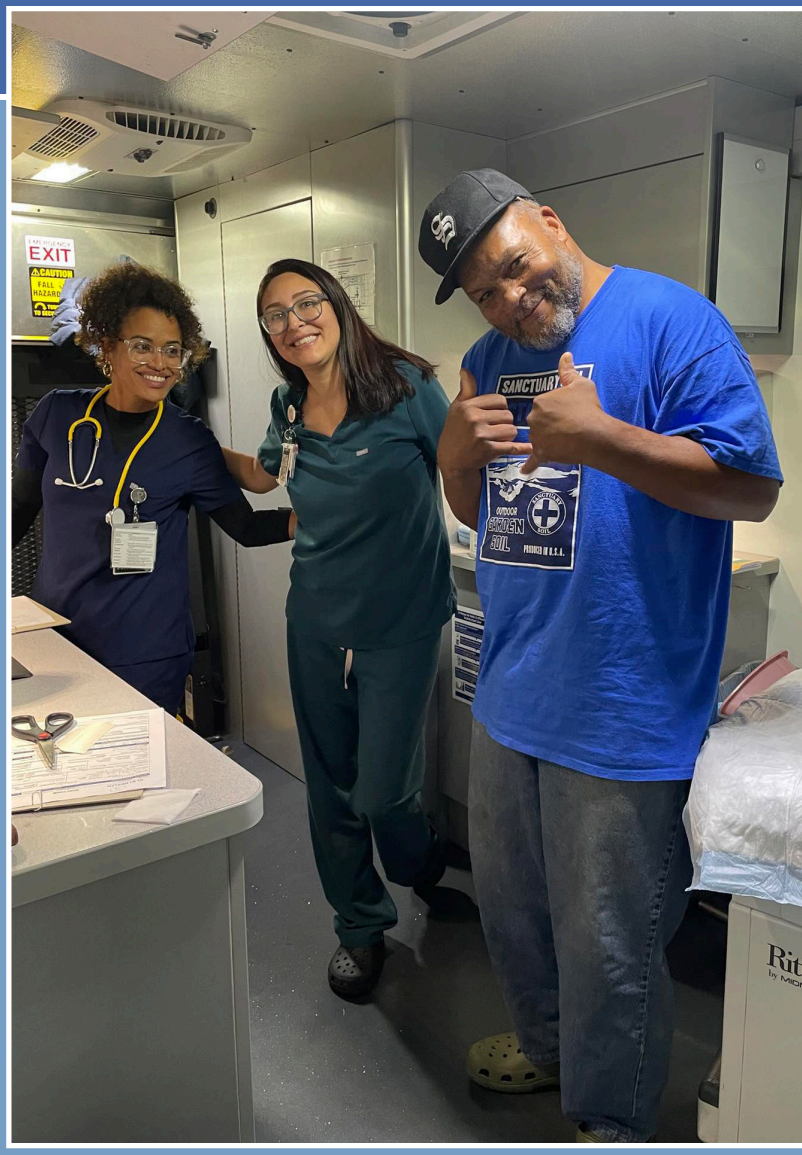
The County's economy is rooted in agriculture, logistics, and manufacturing, and faces persistent challenges related to poverty, timely access to care, and healthcare workforce shortages. Per capita income remains well below state and national averages, and more than one-third of residents live below 200% of the Federal Poverty Guidelines (FPG). The majority of SJ Health's patients are low-income individuals, and many are uninsured or underinsured despite Medi-Cal expansion.

San Joaquin County is also one of the most ethnically diverse counties in California. Nearly one-half of the low-income population identifies as Hispanic/Latino, followed by significant populations of non-Hispanic whites, Asians, and Black/African Americans. This diversity underscores the importance of culturally and linguistically appropriate services, which SJ Health provides through bilingual staff, interpreter services, and community health worker outreach.

Despite the presence of two other FQHCs operating in the County, significant gaps in access remain. Thousands of low-income residents, many of whom are Medi-Cal beneficiaries, lack a regular source of primary care. SJ Health continues to play a vital role in closing these gaps through geographically distributed clinics, extended hours, telehealth, and mobile services that bring care directly to the community.



PATIENTS



SJ Health serves a diverse patient population that reflects the rich cultural and socioeconomic composition of San Joaquin County. In calendar year 2025, SJ Health cared for more than 30,000 unique patients through more than 120,000 medical, behavioral health, and enabling service encounters.

The majority of patients served are low-income individuals and families, with nearly 80 percent living below 200% of the Federal Poverty Guidelines. Medi-Cal is the predominant payer, accounting for more than 85 percent of all visits, while uninsured and Medicare patients represent smaller but significant portions of the total population.

SJ Health patients span all life stages, from prenatal and pediatric care through adult and geriatric services. Chronic diseases such as diabetes, hypertension, asthma, and heart disease are prevalent among adult patients, reflecting the broader public health challenges of the region. SJ Health has responded to these needs through targeted chronic disease management programs, integration of clinical pharmacy and behavioral health into primary care, and use of data analytics through Cerner HealtheIntent to monitor outcomes and close care gaps.

Demographically, SJ Health's patient population is majority Hispanic/Latino (50%), with sizable non-Hispanic white (25%), Asian (18%), and Black/African American communities (4%). Many patients experience barriers related to language, transportation, and social determinants of health—including housing instability and food insecurity—which SJ Health addresses through enabling services such as care coordination, patient navigation, and partnerships with local health plans and community-based organizations.

As of 2025, SJ Health's providers completed 16% of encounters using telehealth, demonstrating the organization's ongoing commitment to flexibility, access, and innovation in care delivery. Whether through in-person visits, mobile clinics, or digital platforms, SJ Health continues to ensure that its patients receive compassionate, high-quality, and comprehensive care that meets them where they are.

PATIENTS: 30,000+

TOTAL VISITS: 120,000+

(2025 Calendar Year)

Strengths, Weaknesses, Opportunities, and Threats (SWOT): 2026–2028

During the May 30, 2026 Board of Directors Strategic Planning Retreat, Board members and executive leadership conducted a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis to assess SJ Health's current position and identify strategic priorities for the 2026–2028 planning period. The key themes identified through this process are summarized below.

STRENGTHS

- Newly designated Federally Qualified Health Center (FQHC) with Section 330 funding and expanded eligibility to compete for federal health center grant opportunities.
- Established Health Center infrastructure, governance, quality improvement systems, and operational experience developed through more than a decade as an FQHC Look-Alike, providing a strong foundation for successful FQHC implementation and growth.
- Strong financial position supported by sound fiscal management and diversified revenue sources.
- Highly engaged Board of Directors and leadership team committed to innovation, continuous improvement, accountability, and strategic growth.
- Strong partnerships with managed care organizations, hospitals, academic institutions, and community-based organizations that support care coordination, quality improvement, workforce development, and service innovation.
- Advanced data, analytics, and quality improvement infrastructure, including a custom enterprise data warehouse, robust reporting capabilities, population health analytics, and established systems for monitoring and improving clinical and operational performance.
- Established Mobile Health, Street Medicine, and Enhanced Care Management/Community Supports programs serving vulnerable and hard-to-reach populations and addressing medical, behavioral health, housing, and other social needs.
- Strong organizational commitment to expanding integrated behavioral health and whole-person care.
- Significant capital investment and planned expansion of service capacity, including the BeWell Campus and Lodi Access Center.
- Demonstrated year-over-year improvements in operational performance and patient access, supported by integration within County Health Care Services and access to shared expertise, infrastructure, and administrative resources.

WEAKNESSES

- Workforce recruitment and retention challenges across clinical and operational positions, compounded by competition with other health systems and a highly competitive Central Valley healthcare market.
- Need to further mature organizational infrastructure, policies, procedures, documentation, and compliance processes to meet the increased requirements of full FQHC status and HRSA Health Center Program oversight while operating within County administrative systems.
- EMR and technology limitations, including an inpatient-oriented system that requires workarounds for outpatient operations, documentation inefficiencies, delays in laboratory data integration, patient portal limitations, and limited ability to independently implement enterprise-wide system changes.
- Organizational and labor-related constraints can limit management's ability to address persistent performance, conduct, and accountability issues within portions of the frontline workforce, contributing to variability in patient experience and workplace culture.
- Inconsistent cross-departmental communication and collaboration, with continued siloed workflows, limited feedback mechanisms, and variable implementation of training, policies, procedures, and operational standards across sites and departments.
- Reliance on supplemental funding sources, including QIP, which are subject to broader County allocation priorities.
- Patient access and operational efficiency challenges, including appointment availability and no-show rates that remain above organizational targets.
- Lack of a dedicated transitions-of-care program to support patients following hospital discharge or emergency department visits and strengthen continuity of care.

OPPORTUNITIES

- Leverage full FQHC status and Section 330 funding to strengthen long-term financial sustainability, expand services, and pursue federal, state, and private grant opportunities that support infrastructure, workforce development, innovation, and community health.
- Engage the large population of assigned-but-unseen managed care members through proactive patient navigation, digital outreach, improved access, and partnerships with managed care plans, converting assigned membership into meaningful access to primary and preventive care.
- Leverage integration within County Health Care Services and the relationship with San Joaquin General Hospital to strengthen care coordination, referral integration, transitions of care, and operational efficiency across the health care continuum.
- Modernize information technology infrastructure and digital patient engagement tools to improve access, care coordination, operational efficiency, and population health management.
- Expand Substance Use Disorder (SUD) services, including Medication-Assisted Treatment (MAT), through the mobile unit and other community-based settings and strengthen integration with behavioral health services.
- Develop community-informed service expansion strategies through ongoing community needs assessments and service gap analyses, including opportunities such as school-based health and other geographically or population-focused services.



- Strengthen clinical and administrative workforce pipelines through partnerships with residency programs, medical schools, Go San Joaquin, and other academic and workforce development organizations.
- Explore development of new service lines and alternative care models, including a Program of All-Inclusive Care for the Elderly (PACE), to address emerging community needs and diversify revenue.
- Increase community awareness and utilization of SJ Health through strategic marketing, outreach, and engagement of the Board of Directors and community partners.
- Explore opportunities for SJ Health to serve as a health care provider for County employees and support broader County strategies to manage health care costs.

THREATS

- Evolving federal and state health care policies and regulations that could affect FQHC requirements, Prospective Payment System (PPS) reimbursement, Medi-Cal financing, and other sources of health center revenue.
- Potential financial, operational, and regulatory impacts if California Initiative 25-0008 is approved, including new spending requirements, compliance obligations, and reporting requirements for Federally Qualified Health Centers.
- Increased regulatory and operational complexity associated with maintaining full FQHC status and meeting evolving HRSA Health Center Program requirements.
- Continued challenges engaging assigned but unseen managed care members, which may limit access, continuity, and effective use of available health care capacity.
- Growing demand for behavioral health and substance use disorder services that may outpace available workforce and service capacity.
- Financial and operational challenges affecting key health care partners that could disrupt referral networks, care coordination, or access to complementary services.
- High prevalence of chronic disease and persistent social determinants of health, including housing instability, food insecurity, and barriers related to health and digital literacy, that may impede patient engagement and health outcomes.
- Ongoing regional and national shortages of physicians, nurses, behavioral health professionals, and other health care workers, increasing competition for talent and pressure on workforce costs.

STRATEGIC PRIORITIES
2026–2028



The 2026–2029 planning process identified four strategic priorities: **Patient Access, Enabled Workforce, Service Excellence,** and **Integration with County Health Care Services.** Each priority includes a goal, action items written as objectives, and a measurable metric **(bolded),** which is supported by cross-cutting enablers in finance, technology, and governance. After the first year and based on experience in implementing action items, additionally referenced goals/activities will be added to the timeline.

The following key desired outcomes emerged from the strategic planning process:

- Enhance continuity and coordination of care across Health Care Services (HCS) programs.
- Shared data infrastructure supporting integrated population health analytics.
- Improved access to behavioral and preventive health services.
- Stronger workforce alignment and shared efficiencies.
- Unified HCS identity that amplifies SJ Health's mission and reach.

PRIORITY ONE: Patient Access

Expand equitable access, continuity, and reach by optimizing access systems, strengthening patient engagement, and leveraging FQHC resources and partnerships to expand services for underserved populations.

Priority Year-One **Action Items**

- Reduce **time to third next available appointment (TTNA)** to below 20 days through scheduling redesign, template optimization, and improved utilization of available capacity.
- Establish a **centralized access management and patient navigation function** to proactively engage assigned-but-unseen patients, improve assignment accuracy, address barriers to care, and increase the percentage of assigned patients who receive care at SJ Health.
- Fully deploy and optimize **Luma Health and other digital engagement tools** for automated reminders, bidirectional messaging, recall campaigns, and outreach to improve appointment completion and patient engagement.
- Standardize **empanelment, attribution, scheduling protocols, and appointment types** across sites and departments, supported by an Access Dashboard providing leadership with timely visibility into TTNA, no-shows, panel balance, and access performance.
- Pursue and submit **H80 grant applications** aligned with SJ Health's mission and community needs, prioritizing opportunities that expand access, increase service capacity, strengthen care delivery, or reach underserved populations.
- Strengthen **care transitions and continuity of care** by establishing a standard for follow-up with SJ Health after emergency department and hospital discharges, with a goal of primary care follow-up within seven days.

Other Goals/Activities for Strategic Planning Period

- Achieve and sustain a **no-show rate below 20%** across all clinics.
- Expand **mobile medical services and community-based outreach** for high-risk and hard-to-reach populations.
- Strengthen relationships with managed care plans to **coordinate care for high-risk and assigned members.**
- **Increase the percentage of assigned patients who are seen by SJ Health to at least 60%** by 2028 through proactive outreach, patient navigation, digital engagement, improved access, and managed care partnerships.
- Expand mobile services to incorporate **behavioral health and MAT/SUD services.**
- Expand digital access capabilities, including **self-scheduling and recall campaigns.**
- Explore opportunities to expand access through **school-based health centers** and other community-based service locations.
- Explore **patient-facing technologies,** including waiting room kiosks and other tools that streamline access and intake.
- Develop a **community outreach and marketing strategy** to increase awareness and utilization of SJ Health services.

PRIORITY TWO: Enabled Workforce Goal

Develop a stable, engaged, and capable workforce through comprehensive training, structured career development, effective recruitment and retention strategies, and mission-driven employee engagement.

Priority Year-One **Action Items**

- Develop and implement a **comprehensive training and competency framework** defining role-based expectations, required HRSA/FQHC competencies, compliance training, and learning pathways for clinical, operational, and administrative staff.
- Implement a **standardized onboarding program** for all new hires, including orientation, required training, role-specific competencies, mentorship, and education on SJ Health's mission, values, and Health Center Program responsibilities.
- Implement a **provider and critical workforce recruitment and retention strategy** focused on targeted recruitment, competitive incentives, academic partnerships, workforce pipelines, and strategies to reduce reliance on locum and temporary staffing.
- Establish a **workforce development and succession planning framework** that identifies critical positions, develops internal career pathways, and prepares emerging leaders for key clinical, operational, and administrative roles.
- Establish a quarterly **workforce dashboard and leadership review process** tracking vacancies, turnover, locum utilization, recruitment, onboarding and training completion, workforce engagement, and other key indicators to guide targeted interventions.

Other Goals/Activities for Strategic Planning Period

- Integrate **performance evaluations** with core competencies and growth-focused development conversations.
- Develop formal **career advancement pathways** and internal leadership development opportunities.
- Establish recognition and **employee appreciation programs** aligned with SJ Health's mission, vision, and values.
- Strengthen **organizational communication and employee engagement** through staff huddles, newsletters, intranet updates, and other mechanisms for two-way communication.
- Expand partnerships with **residency programs, medical schools, training institutions, and workforce development organizations** to create sustainable clinical and administrative workforce pipelines.
- Promote a culture of **accountability, professional growth, and mission alignment** across all levels of the organization.
- Develop **wellness and burnout prevention strategies** to support workforce resilience and retention.

PRIORITY THREE: Service Excellence Goal

Deliver consistently exceptional patient and staff experiences while strengthening quality, compliance, and operational systems to support high-performing, sustainable FQHC operations.

Priority Year-One **Action Items**

- **Complete and implement the HRSA Compliance Achievement Plan** associated with the New Access Point award, addressing identified compliance requirements and establishing clear accountability, timelines, and monitoring mechanisms.
- **Prepare for and successfully complete the HRSA Operational Site Visit (OSV)** within four months of transitioning to FQHC status, including readiness assessments, staff and Board education, documentation review, and corrective action planning as needed.
- Establish a **Service Excellence Steering Committee and site-based Service Champions** to lead standardized service behaviors, patient experience improvement, service recovery, and local improvement initiatives.
- Develop and implement a **standardized service excellence framework** addressing empathy, communication, cultural and linguistic responsiveness, service workflows, scripting, and patient concerns across all patient-facing areas.
- Strengthen the **Quality Management System** by standardizing QA/QI policies, clinical and operational documentation, data reporting, and targeted improvement projects aligned with HRSA, UDS, QIP, HEDIS, and other applicable quality requirements.
- **Leverage Cerner HealtheIntent, BI tools, and other performance dashboards** to monitor clinical quality, patient experience, operational performance, care gaps, and compliance, and use results to drive continuous improvement.

Other Goals/Activities for Strategic Planning Period

- Achieve **Press Ganey patient satisfaction scores in the top quartile** among peer FQHCs by 2027.
- Improve **visit throughput and pre-registration processes** through workflow redesign and digital tools such as Luma Health.
- Conduct **quarterly service and quality audits** to identify trends and inform continuous improvement.
- Implement recognition programs celebrating staff who demonstrate **service excellence and compassion.**
- Incorporate **cultural and linguistic competence** into service and communication standards.
- Promote **cross-departmental quality improvement** with Behavioral Health, Public Health, and other HCS partners to advance integrated care.
- Improve **laboratory service coordination with San Joaquin General Hospital.**
- Evaluate and implement a **provider incentive program** aligned with measurable quality, patient experience, and access outcomes.
- Explore additional **grant opportunities** that support quality improvement, service innovation, infrastructure, and organizational capacity.

PRIORITY FOUR: Integration with Health Care Services (HCS)

Leverage SJ Health's integration within San Joaquin County Health Care Services (HCS) and its full FQHC status to advance whole-person care, align resources, strengthen population health outcomes, and improve coordination across the health and human services continuum.

For Context to HCS Integration: In 2025, SJ Health formally became part of the County's Health Care Services (HCS) agency, joining departments that include Behavioral Health, Public Health, Correctional Health, Emergency Medical Services (EMS), and the Office of the Medical Examiner. This integration presents an opportunity to align operations, share resources, and coordinate care across the continuum of health and human services while maintaining SJ Health's distinct role and responsibilities as an HRSA-designated Health Center.

Priority Year-One **Action Items**

- Establish a **formal HCS integration roadmap** defining shared priorities, communication channels, governance structures, and opportunities for operational and resource alignment.
- Develop **data-sharing and interoperability pathways** between SJ Health and HCS departments, prioritizing Behavioral Health, Correctional Health, and Public Health, to support whole-person care coordination and population health management.
- Participate in **HCS-wide strategic initiatives** that advance behavioral health integration, care transitions, community response, health equity, and other shared population health priorities.
- Align **population health goals, performance measures, and reporting** across HCS departments where appropriate to identify shared opportunities for improving health outcomes and reducing disparities.
- Develop opportunities for **shared workforce, infrastructure, and resource strategies** across HCS, including recruitment pipelines, training, care coordination, and other areas where collaboration can improve efficiency and service capacity.

Other Goals/Activities for Strategic Planning Period

- Collaborate with Public Health on community-based prevention programs, health promotion, and communicable disease management.
- Expand Behavioral Health integration into primary care through co-location, warm handoffs, shared case management, and coordinated treatment planning.
- Partner with Correctional Health to enhance reentry care coordination and continuity of care following release.
- Participate in EMS and public safety initiatives that support emergency response, care coordination, and population-level health improvement.
- Strengthen strategic communications, community engagement, and health equity initiatives across HCS.
- Ensure SJ Health representation in HCS leadership councils, planning bodies, and quality improvement committees.
- Leverage Go San Joaquin (Go SJ) and other workforce development partnerships to create education, training, and career pathways.
- Explore PACE and other potential service lines that address identified community needs and support long-term organizational sustainability.

CROSS-CUTTING ENABLERS & STRATEGIC TIMELINE OVERVIEW

These initiatives will be supported by organization-wide investments in the following:

- **Technology Optimization:** Streamlining workflows through EMR configuration, referral module upgrades, and data integration.
- **Performance Measurement:** Use of Cerner HealtheIntent and BI dashboards to monitor progress, outcomes, and QIP performance.
- **Financial Sustainability:** Diversifying revenue through grants, partnerships, and new service lines such as dental and expanded behavioral health.
- **Community Engagement:** Strengthening collaborations with County partners, managed care plans, and local stakeholders to address social determinants of health.
- **Governance Development:** Continued Board education, recruitment, and engagement to enhance oversight and strategic impact.





YEAR	MAJOR MILESTONES
2026	Launch centralized access team, implement onboarding framework, establish Service Excellence Steering Committee
2027	Achieve scheduling standardization, reduce locum dependence, implement service dashboards, expand career pathways
2028	Achieve top-quartile service scores, sustain <20-day TTNA, <20% no-show rate, and workforce turnover reduction of 25%

SJ HEALTH
San Joaquin Health Centers

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Stockton, CA 95219

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SJ HEALTH
San Joaquin Health Centers

October 27, 2026

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

Dear Board Members,

Governance Committee Recommendations for Board Officer Positions

RECOMMENDATION

It is recommended that the Board of Directors approve the Governance Committee's recommendations for Board officer positions: Rick Ledo for Vice Chair and Samantha Monks for Treasurer, and that Brian Heck continue serving as Chair through January 2027, following completion of the anticipated HRSA Operational Site Visit (OSV).

REASON FOR RECOMMENDATION

The Governance Committee met in October 2026 to review Board officer positions and make recommendations for the upcoming term. The Committee recommends Rick Ledo for Vice Chair and Samantha Monks for Treasurer.

The Committee also recommends that Brian Heck remain as Chair until January 2027, when SJ Health anticipates the HRSA OSV will be completed. Although Mr. Heck's current Chair term is scheduled to expire in November 2026, the Bylaws do not specify terms of office for the Chair or other Board officers. Continuing his service through January 2027 would provide continuity in Board leadership through the anticipated OSV period.

These recommendations are intended to maintain stable Board leadership during SJ Health's transition to a federally funded Health Center and its preparation for HRSA review. The proposed continuation of the Chair's service is based on the Governance Committee's recommendation and the absence of specified officer terms in the Bylaws.

FISCAL IMPACT

There is no fiscal impact associated with this action.

ACTION TO BE TAKEN FOLLOWING APPROVAL

Upon approval by the Board of Directors, the Board officer appointments and continuation of the Chair's service through January 2027 will be reflected in SJ Health's governance records and communicated to appropriate parties.

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Chief Medical Officer Report – Key Updates
October 2026

Clinical Operations and Access
Systemwide visit volume remains strong, averaging in the mid-500s. Primary care continues to experience greater access pressure than several other service lines.

Current third-next-available appointment timing for OB is approximately one week, while primary care access remains substantially longer. In response, leadership is evaluating opportunities to utilize available OB clinic space for primary care services. This would allow SJ Health to better align clinical space and capacity with areas of greatest patient demand and improve access using existing resources.

Saturday gap clinics continue to provide additional access for patients.

Workforce and Recruitment
Recruitment and workforce stabilization continued to progress during October. The recently recruited pediatrician and second chiropractor have both started and are now supporting clinical services.

Recruitment efforts also remain active. Another pediatrician candidate toured SJ Health in October. A conditional job offer is being sent this week to the Internal Medicine/Infectious Disease physician who previously toured the organization. An additional Internal Medicine physician is scheduled to begin during the first week of November.

These additions, along with the continued recruitment pipeline, are expected to strengthen access and provider coverage over the coming months.

Internal Medicine Clinic Expansion
Development of the Internal Medicine clinic in the former Employee Health space continues to progress. Resident templates have been created, and operational planning is moving forward.

Rebranding of the space as SJ Health is also progressing, including signage and other facility updates. While this work has moved more slowly than initially anticipated, the space is gradually coming together and will provide additional capacity for resident and Internal Medicine services.

Hospital and Specialty Collaboration
Collaboration with hospital leadership continues to expand beyond individual specialty relationships. Current work includes developing greater oversight and consistency around specialty referrals, referral acceptance, and coordination between SJ Health and hospital-based specialty services.

The goal is to improve transparency and accountability across the referral process and reduce barriers for patients requiring specialty care.

Women's Health and Preventive Services
Work continues to operationalize HPV self-swab testing as an additional cervical cancer screening option. Clinical leadership is currently working with Health Informatics to develop the workflow necessary for implementation.

The goal remains to improve screening access for patients who decline traditional speculum-based screening or experience other barriers to completion of a Pap smear.

Mobile mammography also continues to support preventive screening access.

Community Outreach and Binational Health Month
SJ Health is leading the Celebration of Wellness event for Binational Health Month on October 24 at the French Camp campus. The event will provide free medical and preventive services for adults and children.

SJ Health clinical participation includes Gynecology, Adult Medicine, Pediatrics, and Chiropractic services. The event represents an opportunity to improve community access to preventive services, provide direct clinical care, and connect individuals with ongoing healthcare resources.

Outlook
October reflected continued strong clinical volume, meaningful recruitment progress, and ongoing efforts to better align clinical capacity with patient demand. The addition of a pediatrician and second chiropractor, anticipated Internal Medicine onboarding in November, and continued specialty recruitment should further strengthen access.

Key priorities moving forward include evaluating expansion of primary care into available clinical space, completing development of the Internal Medicine resident clinic, onboarding the new Internal Medicine physician, advancing the Internal Medicine/Infectious Disease recruitment process, improving specialty referral oversight with hospital partners, and operationalizing HPV self-swab testing.

CEO Report – October 27, 2026 Board Meeting

Executive Summary

San Joaquin Health continues to maintain stable operations while advancing key initiatives associated with our transition to full Section 330 Health Center status. This month's priorities include preparation for the HRSA Operational Site Visit, procurement of a second mobile clinic, continued development of the BeWell same-day clinic and Lodi Access Center, and recruitment for critical leadership positions. The organization also continues to expand community engagement through preventive services and outreach initiatives.

Organizational Performance

Operational performance remained stable in September, with 11,112 patient visits, approximately 81% of which were associated with managed care. Slot utilization was 78.4%, and the no-show rate was 21.85%. These measures reflect continued patient access and operational stability as the organization works to strengthen provider capacity and expand services.

Strategic, Financial, and Compliance Highlights

Preparation continues for the HRSA Operational Site Visit (OSV), a key milestone following our transition to full Section 330 status. Although the visit was previously scheduled for December 1–3, it is increasingly likely to be postponed until early 2027, as the formal kickoff call has not yet occurred. Leadership will continue coordinating across departments to maintain readiness and ensure required documentation and processes are in place.

Procurement of the second mobile clinic is also progressing. Four quotes have been received, and our preferred option is a 40-foot motor coach located in Ohio, configured with two examination rooms. At approximately $300,000, including retrofitting and upgrades, this option is the least expensive of the proposals received. The team is continuing its review and procurement work to determine the next steps toward expanding mobile access to underserved communities.

Progress continues on both the BeWell same-day clinic and the Lodi Access Center. Design and planning work for BeWell remain underway. For Lodi, the project continues to advance, with construction currently anticipated to begin in January 2027, subject to completion of the remaining agreements and project requirements.

The organization also continues to pursue opportunities to strengthen preventive care and community engagement. The annual Celebration of Wellness event, held October 24 at the French Camp campus in recognition of Binational Health Month, offered free clinical and preventive services to the community. Attendance was projected at approximately 500–700 people, reflecting the event's role in connecting residents with care and community resources.

Lastly, DHCS recently informed us that our 2025 QIP report has been fully validated and our performance remains at 100%.

Workforce, Culture, and Risk

Recruitment for the Deputy Director of Clinical Operations and Deputy Director of Administrative Operations positions has advanced to the interview stage. Both positions are expected to be filled by December. These roles will strengthen leadership coverage, improve operational oversight, and provide additional capacity as the organization manages its expanding responsibilities under Section 330 status.

Leadership continues to focus on building sustainable administrative capacity and maintaining readiness for federal oversight while advancing multiple clinic expansion and access initiatives.

Forward Look

Over the coming months, leadership will focus on maintaining OSV readiness as the schedule is clarified, advancing procurement of the second mobile clinic, and moving the BeWell and Lodi projects toward implementation. Filling the two Deputy Director positions remains a key workforce priority. The Board will continue to receive updates on these initiatives and other developments related to the organization's growth, compliance, and long-term sustainability.