**Minutes of September 24, 2024**

**San Joaquin Health Centers Board of Directors**

**Board Members Present:** Becky Cook; Greg Diederich (Interim CEO); Brian Heck (Board Chair); Karen Lee; Samantha Monks (Treasurer); Jodie Moreno\*; James Myers; Kristin Shinn (Vice Chair); Tarsha Taylor-Godfrey\*

**Excused Absent:** Monica Fuentes

**Unexcused Absent:** None

**SJHC Staff:** Michael Allen (Board Clerk); Kim Cuellar; Jonathon Diulio; Mary-Lou Milabu; Reuben Pettiford; Cynthia Rios; Susan Thorner; Kris Zuniga

**Guests:** Brandy Hopkins; Quennie Macedo

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| **AGENDA ITEM** | **ATTACHMENTS** | **ACTION** |
| 1. **Commencement/Call to Order (Brian Heck)** 2. The meeting was called to order at 5:30 p.m. A quorum was established for today’s meeting. 3. SJ Health Board of Directors’ Attendance Record was made available. | 2024 Board Member Attendance | No action required |
| 1. **Public Comment**   No public comment. | No attachment | No action required |
| 1. **Consent Calendar (Brian Heck)** 2. The consent calendar for August 27, 2024 was presented: 3. Minutes of SJ Health Board Meeting 08/27/2024 4. Minutes of Ad Hoc Meeting 09/04/2024 5. Minutes of Ad Hoc Meeting 09/05/2024 | Board Minutes 2024-08-27; Minutes of Ad Hoc Meeting 2024-09-04; Minutes of Ad Hoc meeting 2024-09-05 | 1. Kristin motioned to accept the consent calendar and Samantha seconded; minutes were approved unanimously |
| 1. **Regular Calendar (Brian Heck)** 2. The Credentialing & Privileging Report was presented. Initial appointments are: Brenitta Gilliam-Udo, PA; Gi Onte Powell, NP; Donna Tucker, NP; Agnes Marco, NP. 3. The August financial were presented by Kris Zuniga. Year-to-date (YTD) billable visits as of August are favorable to budget by 166 visits. Net Patient Service Revenues for August are favorable to budget by $14,447. Net Patient Service Revenues are higher than budget mainly due to the recognition of $400,000 for July and August related to an anticipated estimated PPS reconciliation settlement from DHCS. This settlement is related to the intermittent clinic strategy implementation in FY25. YTD financials reflect an estimated YTD PPS liability accrual of $50,000.   YTD financials include $596,285 related to the settlement payment received from Department of Health Care Services for FY2020 recorded in July 2024.  YTD Supplemental Revenue includes the recognition of estimated Quality Incentive Program (QIP) revenue of $2,480,371. Also, YTD financials include Capitation Revenue for $999,412 and 340B Pharmacy program revenue for $658,969. Combined Grants Revenue includes revenues for ARPA, KP Health Connect, ECM, and HHIP Street Medicine grants for $233,777.  YTD Other Revenue includes revenues accrued for $122,646 related to Purchased Services provided to SJGH by SJHC per the MOU. YTD Interest income for $217,729 has been reflected on the financials, which is favorable compared to budget by $102,646 mainly due to higher cash balance contained within the County Treasury.  Total YTD Operating Revenue is favorable to budget by $85,227 primarily due to the accrual of anticipated revenue related to the Medi-Cal PPS settlement payments for FY25.  Salaries and Benefits expenses exhibit a favorable variance to budget by $2,710,535 which is mainly related to vacant positions that have not filled yet along with the lower benefits expense. For purposes of annual budgeting, per SJ County direction, county employees purchased by SJHC were budgeted at 65% benefits cost to salaries. Year-to-date actual benefits cost as a percentage of salaries, as of August 2024 is 52%.  Other operating expenses exhibit an unfavorable variance of $451,221 largely due to an unfavorable variance for $497,827 for Professional Fees, Purchased Services, Supplies, Dues, Repairs, Telephone, Travel, Rent and Miscellaneous expenses offset by a favorable variance of $46,606 reflected in the Depreciation, Interest, Office, Advertising, and Utilities expense categories. An estimated accrual for the Purchased Services is recorded for July and August is based on the MOU with the County for services purchased from San Joaquin General Hospital. YTD total Operating Expenditures are favorable to budget by $2,259,313.   Unaudited, as presented, Net Income of $333,649 on year-to-date represents a favorable variance of $2,344,540 as compared to budgeted Net Loss of $2,010,891. YTD Net Income is favorable mainly due to the actual salaries and benefits expenses lower than budget and accrual of revenues related to estimated PPS reconciliation settlements for FY25.  Capital Link fiscal year benchmarks were reviewed, showing Operating Margin at 4.2% against a goal of >3%, Bottom Line Margin at 4.2% against a goal of >3%, Days Cash on Hand at 213 against a goal of >45 days, Days in Net Patient Receivables at 29 against a goal of <60 days, and Personnel-Related Expenses at 76% against a goal of <70%.   1. Greg is seeking authority from the board to submit our annual HRSA certification in early October. Authority was granted. 2. Greg gave a brief presentation on the Be Well Campus discussed at previous meetings. He is seeking their approval to sign a letter of support on behalf of the project. Total capacity will be 172 beds at $203 million. This will also include an urgent care add-on to add another layer to our triage capabilities. State will fully fund the campus, less 10%. SJ Health’s commitment would be about a $450K one-time expense. 3. Brian gave a brief presentation regarding upcoming membership renewals and the 2024-25 officer slate. 4. The CMO Report was presented by Dr. Jonathon Diulio. Recruitment and staffing efforts were discussed. There is a new law allowing doctors from Mexico to practice in California. OB & pediatric services are now available at our Manteca clinic. Continuing to roll out late/no-show policies to aid in patient access. Meetings and collaborations with various committees and partners continue. A Wellness event will be held on 10/26/24 at the French Camp location. The FMC clinic will be staffing a clinic the day after Thanksgiving to ensure we remain compliant with the rule that we must not close for a period of more than 72 hours. 5. The COO report was presented by Reuben Pettiford and Cynthia Rios. Staff development has been a focus. Call Center hours have changed to 7:30am – 5pm (M-F), with no more coverage on Saturdays. The BI team is prioritizing work on a data warehouse. The IT disaster recovery project is slated for completion in November. In partnership with CMC, preventive dental services begin the first week of October 2024. We are partnering with others in the community to hold Binational Health Month.   8. The CEO Report was presented by Greg Diederich.   * Meeting with Lodi City Manager on September 19th regarding opportunities to support their Access Center and potential use of Congressionally Designated Funding – HRSA update due on 9/30 * Continued engagement with ON LOK | PACEpartners on fiscal and operational modeling of a potential SJ Health PACE Program * Finalizing materials for submission of the New Access Point Grant with Gary Bess Associates and SJ Health leadership; application due September 30th * Finalizing materials for HRSA Annual Certification due 10/3 * Additional engagement with County Human Resources on the potential creation/revision of job classifications and future allocation of single allocated positions for SJ Health (e.g. Director of Operation, Nursing Department Manager, Ambulatory Quality Manager, Departmental IT Manager, Management Services Administrator) * Work to solicit internal and external candidates for full time interim Project Manager/CEO; potential finalization of pending engagement with executive staffing firm as needed * Continue to attend Family Medicine, Pediatrics and OB/GYN Department meetings to engage with our providers, and also attend the SJGH Medical Executive Committee Meeting monthly * Continued engagement with SJGH leadership on operations and quality reporting issues * Worked with Labor Relations on meet and confer issues on pending change to internally staffed hours for our Call Center * Finalized IT issues with in-kind use of HCS Whole Person Care space in Lathrop for John Sisneroz’s team as no available space at Trinity * Old VA Clinic Building remodel by SJGH and SJ Health space opportunities in French Camp * Staff attended HPSJ technical assistance meeting regarding applying for Community Reinvestment Funding * Letter of Support to the County Board of Supervisors signed by our Providers advocating for early implementation of SB-525 * Engagement with the County Administrators Office on Intermittent Clinic Strategy concerns * Continued work with HealthForce Partners on the potential to leverage SJ Health funds for recruitment, certification and retention of Medical Assistants similar to their agreement with the County to use ARPA funds for the Behavioral Health Workforce Pipeline * Saturday October 26th 10am to 2pm SJ Health Wellness Clinic as part of Bi-National Heath Month | 1. Credentialing & Privileging Report 2. CFO Presentation – 2024-08; Finance Narrative – 2024-08 3. No attachment 4. No attachment 5. Be Well Campus LOS 6. CMO Report – September 2024 7. COO Report – September 2024 8. CEO Report – September 2024 | 1. Karen motioned to accept the C&P Report and Kristin seconded; motion was approved unanimously 2. James motioned to accept the Finance Report and Samantha seconded; motion was passed unanimously 3. Karen motioned to grant authority to submit annual HRSA certification and Samantha seconded; motion was approved unanimously 4. Karen motioned to approve the signing of the letter of support and Becky seconded; motion was passed unanimously 5. No action required 6. No action required 7. No action required 8. No action required |
| 1. **Closed Session (Brian Heck)** 2. A final report regarding significant exposure to litigation was presented and this matter is now resolved. Nothing to report out on this. 3. The CEO evaluation was presented. 4. Brian Heck gave an update on the CEO recruitment process. Nothing to report out on this. |  | No action required |
| 1. **Adjournment (Brian Heck)**   There being no further topics of discussion, Brian Heck adjourned the meeting at 8:01 p.m. | No attachments | No action required |

\*NOTE: Board Member joined remotely