



San Joaquin County Clinics (SJCC)

**Minutes of May 26, 2020
Board of Directors Meeting**

**San Joaquin General Hospital
Web Conference Call**

BOARD MEMBERS PRESENT: Rod Place (Chairman); Alicia Yonemoto (Vice-Chair); Ismael Cortez (Secretary); Brian Heck (Board Member); Esgardo Medina (Board Member); Melanie Toutai (Board Member);
BOARD MEMBERS ABSENT: Luz Maria Sandoval (Treasurer); Mike Baskett (Board Member); Alvin Maldonado (Board Member); Mary Mills (Board Member)
BOARD MEMBERS EXCUSED: NONE
SJCC STAFF PRESENT: Dr. Farhan Fadoo (SJCC Executive Director); David Culberson (SJGH CEO); Greg Diederich (HCS Director); Tenisha Dunham (SJCC CFO); Betty Jo Riendel (SJCC Nursing Dept Manager); Alice Soulligne (SJCC COO); Rajat Simhan (SJCC Program Manager – Compliance); Jeff Slater (SJCC Grant Writer); Adelé Gribble (SJCC ACS OTC)
GUESTS: Carlos Jimenez (Wipfli Consultant); Susan Thorner (Fiscal Solutions Consultant); Kristopher Zuniga (Wipfli Consultant)

AGENDA ITEM	ATTACHMENTS	ACTION
<p>1. <u>Introduction & Establish Quorum (Rod Place, Board Chair)</u></p> <p>a. Call to Order & Establish Quorum (100% attendance established) Rod Place called the meeting to order at 5:06 p.m.</p> <p>b. SJCC Board of Director’s Attendance Record (Jan 2020 through Apr 2020) Board Members were accounted for by roll call and a quorum was established during today’s meeting (five members).</p> <p>c. Introductions There were no introductions during today’s meeting</p>	<p>SJCC Board of Directors Attendance Record April 2020</p>	<p>No action required</p>
<p>2. <u>Approval of Minutes of 04/28/20 (Rod Place, Board Chair)</u></p> <p>Melanie Toutai made a motion to approve the minutes from the Board meeting on April 28th, 2020. Ismael Cortez seconded the motion and the board unanimously approved the minutes.</p>	<p>BOD Meeting Minutes from 4/28/2020</p>	<p>Melanie Toutai motioned to approve minutes from 4/28/20, Ismael Cortez seconded & the board unanimously approved.</p>
<p>3. <u>Public Comment (General Public)</u></p> <p>There was no public comment.</p>	<p>No Attachments</p>	<p>No Action Required</p>

AGENDA ITEM	ATTACHMENTS	ACTION
<p>4. <u>Confirm Esgardo Medina Board Membership (Rod Place)</u></p> <p>Due to there being no record of Esgardo Medina’s approval to the SJCC Board in previous board meeting minutes, the Board needed to retroactively vote on his membership. Alicia Yonemoto made a motion to retroactively approve Esgardo’s membership and Brian Heck seconded the motion. The board unanimously approved the motion.</p>	<p>Attachment 4 (Esgardo Medina’s application dated 4/7/2018)</p>	<p>Alicia Yonemoto made a motion to approve Esgardo Medina retroactively to the board, Brian Heck seconded the motion and the board unanimously approved.</p>
<p>5. <u>Credentialing Report (Betty Jo Riendel)</u></p> <p>Betty Jo Riendel advised there is one initial appointment for May 2020: Jacqueline Henrich who is a Certified Nurse Midwife in Healthy Beginnings and two reappointments: Dr. Alfred Troncales (Pediatrician in Children’s Health Services) and Dr. Craig Bobson (Attending in Family Medicine Clinic). There are two advancements: Dr. Rajdeep Sahota who is a podiatrist embedded in Primary Medicine Clinic and Sara Kelly who is a Certified Nurse Midwife in Healthy Beginnings. All requirements have been met. For May 2020 there are two resignations of note: Dr. Arshian Mahajan and Dr. Asma Jafri.</p> <p>Alicia Yonemoto made a motion to approve the credentials and privileges as provided, Esgardo Medina seconded the motion and the board unanimously approved the motion.</p> <p>a. MEC Delegation to Hospital MEC Betty Jo Riendel explained when the providers go before the review, they have already been approved by the Medical Executive Board (MEC) before they reach this point. They review all the actions, the proctoring report and make their recommendations. Dr. Fadoo stated we need to make sure since the clinic boards have started to review all the credentialing reports but there wasn’t a historical report that established a delegation of responsibility for reviewing the credentialing to the Credential Committee at the hospital (sub-committee of the MEC). By voting on this agenda item, the SJCC Board establishes that delegation to the hospital MEC and its credentialing committee. The board will be delegating authority for that credentialing process to the MEC. We will still bring reports to the Board to review. Brian Heck made a motion to approve the MEC delegation to the Hospital MEC. Ismael Cortez seconded the motion and the board unanimously approved the motion to have the credentialing and privileging delegated to MEC.</p>	<p>Attachment 5 (Credentialing Report)</p>	<p>Motion to approve the credentialing report – Alicia Yonemoto, seconded by Esgardo Medina & unanimously approved by the board.</p> <p>Motion to approve the MEC Delegation to Hospital MEC – Brian Heck, seconded by Ismael Cortez & unanimously approved by the board.</p>
<p>6. <u>Finance Committee Report (Kris Zuniga)</u></p> <p>Kris Zuniga stated for the month of March, we experienced the effects of COVID-19, meaning our billable visits which on the average hover around ten thousand billable visits per month reduced by approximately 40% to six thousand visits in the month of March. However, because of our under accrual for dates of service of 12/31/19 and in prior months, we were able to recognize revenue that is closer to a standard month. Our Net Patient Revenue was just about \$1M. About \$600,000 of that Net Patient Revenue is represented of the current month billable visits and about \$400,000 is due to encounters with dates of service of 12/31/19 and prior. We have a new line item (Grant Revenue) which is being grouped in the Other Revenue Group.</p> <p>See May meeting attachments of finance tables for more details (Attachment 6).</p>	<p>Attachment 6 (Finance Committee Agenda and Minutes with attachments)</p>	<p>No action required</p>

AGENDA ITEM	ATTACHMENTS	ACTION
<p>We had \$1.7M in total Net Revenue. SJCC management (Dr. Fadoo and Alice Souligne) elected to reduce/flex our clinic workforce in response to the reduced volumes, meaning we spent far less in labor expenses and other operating expenses than we usually do and that equated to about \$1M in salaries and benefits and total direct expenses of \$1.3M. For the second month in a row, we are reporting a positive Net Income for the clinics.</p> <p>Below is the Financial Narrative for YTD – March 2020.</p> <p><u>Summary of Clinics Year to Date</u> <i>Billable visits through March were favorable to budget by 10,537. Gross patient revenue is favorable to budget by \$12,682,497. Net patient revenue is favorable to budget by \$605,673.</i> <i>Other Revenue has been augmented to reflect managed care incentives and grant revenues. YTD grant revenues total \$132,117 due to the Title X grant. YTD incentive and pay-for-performance revenues are \$547,497. Over the last two months, the YTD total revenue budget variance has reduced from <\$1,064,489> to <\$204,548>.</i> <i>Salaries and benefits expenses benefited from managerial decisions to reduce clinic staffing in response to reduced patient visits. As a result, March salaries and benefits expenses were 30% lower than the average for the preceding eight months. Similarly, the remaining direct operating expenses for March were 24% lower than the average for the preceding eight months.</i> <i>Over the last two months, net income <loss> as a percentage of total revenues has risen from <16.70%> in January to <5.02%> in March. Profitability in February and March were 25.94% and 20.97%, respectively, largely due to under-accrued revenues for encounters with dates-of-service of 12/31/19 and prior. The Clinic financials include FYTD supplemental revenues earned by the Clinics in the amounts of \$7,818,714 for PRIME and \$5,150,250 for the Quality Incentive Program.</i></p> <p><u>Additional Factors Impacting Clinic Performance Presentation</u></p> <ul style="list-style-type: none"> • Hospital overhead remains at 42.2% pending a detailed review by CFO and FQHC Finance Director to identify a more appropriate overhead allocation for the clinics. • FQHC revenues will dramatically increase when the PPS rates for five clinics are finalized. We expect the final determination letter from DHCS to arrive on or before May 29, 2020. All YTD patient revenues will be revised based on the finalized rates. <p>Kris reviewed attachment V from the Finance Committee attachments and advised this is representative of both our Patient Financial Services (PFS) and EMMI. The first three buckets would be representative of EMMI whereas the remaining buckets are representative of our PFS. The total outstanding Gross Accounts Receivable for the month is \$8.3M.</p> <p>We continue to see large balances in our Medicare businesses, but we are working with PFS to not only collect these Medicare balances but all of the remaining balances that are in the collection scope of our PFS. We had a really good payment month for the month of March.</p> <p>Attachment VI of the finance committee attachments from May is the update for the PPS Rate Setting audit which we expect to receive a final letter from the Department of Health Care Services (DHCS) by May 29th.</p> <p>This process has been many years in the making. We are days away from having a conclusion on our PPS rates. WIPFLI and Kris have been working with the State of California answering their audit questions and addressing their concerns.</p> <p>Kris advised our PPS rates are the base of our reimbursement and affects roughly 85% of our Payer mix.</p> <p>Our PPS rate is calculated by taking our Allowable Costs and dividing that by our Adjusted Visits. That is the statistic that we have on line 4, these are the as filed PPS rates. This is what we told the state would be our calculation of our PPS rates (pre-audit). As a result of the audit, the auditors have adjustments that they make to the \$19M. Their goal is to reduce our</p>		

AGENDA ITEM	ATTACHMENTS	ACTION
<p>allowable costs and/or increase the number of visits applied to those costs. Our projected audited cost calculations per visit are shown in the table that was provided during May’s meeting.</p> <p>Kris advised, up to this point, all five of the above sites are \$129.00. All of our calculated PPS rates are higher than that. Three of them are over \$200.00. Once we receive the DHCS letter, and we know what our rates are, our visits will be worth more and can be recognized on our financial statements. Rod Place inquired about the confidence that WIPFLI has for the projected rate.</p> <p>Carlos Jimenez advised they have received all of the final adjustments. Unless the department somehow left something off, these are their projections of the rates. They have to be processed through actual reports so there are other logistic things that could create some minor changes, but he is confident we are close within several dollars. The State is under a statutory deadline, they must issue the letter by the end of the month. Kris advised this goes retroactively back to FY15 which began July 1st, 2014. Rod asked if there are other hits to the revenue.</p> <p>Dr. Fadoo stated this is as close to the best-case scenario that they had modeled for us that we could have expected. Carlos stated they generally tell counties to expect 80-85% of what we submit. This is truly a very positive outcome and thanks to everybody who participated in this process they were able to defeat that worst-case scenario which is where we were in the Fall of 2019. What this reflects is our joint ability to fight vigorously virtually all of the big adjustments the state had proposed and come out with, what he considers to be as good an outcome we are going to see anywhere. This is the best he has ever seen. This chart is based on the rate setting reports that were filed, total visits, not Medi-Cal. This will apply to all of our Medi-Cal FQHC business, which is about 85% of the total business in the clinics. Rod asked between this new rate and everything else going on, we can expect the clinics to finally be profitable. Dr. Fadoo confirmed that we are finally moving into a new era for the clinics. There are a variety of factors that will impact clinic profitability.</p> <p>Alicia Yonemoto asked if we will finally start seeing adjusted audited numbers. Carlos advised the way the Medi-Cal PPS system works; these are going to be what are called our base rates. They will apply to 2015. The State as a matter of course, does an inflationary adjustment, somewhere between 0.5-2% per year so each year the rates go forward. This is why it is so important to prevail at the audit because they don’t settle every year. Once the base rate is established, that forms the base for all future years and unless you request higher rates, these are the rates you live with as inflation adjusts every year.</p> <p>Kris stated, as we get the final numbers, they will do their best to incorporate those numbers into projections. They will be posting adjustments to our current year financials for the current year’s revenues as well as history to date adjustments for the balance sheet.</p>		
<p>7. <u>SJCC Board Training (Susan Thorner – Fiscal Solutions)</u></p> <p>Susan Thorner presented tonight’s training that covers three of the Health Resources and Services Administration (HRSA) requirements: Key Management Staff, Coverage of Medical Emergencies During & After-Hours and Continuity of Care & Hospital Admitting. See May attachments for details.</p> <p>Susan advised because of SJCC’s relationship and proximity with SJGH, we are probably in better shape than other FQHC facilities regarding continuity of care, hospital admissions and emergency coverage during and after hours.</p>	<p>Attachment 7 (Fiscal Solutions SJCC Board Training)</p>	<p>No Action Required.</p>

AGENDA ITEM	ATTACHMENTS	ACTION
<p>8. <u>CEO Report (Dr. Farhan Fadoo)</u></p> <p>Dr. Fadoo presented the CEO report shown below.</p> <p style="text-align: center;">CEO Report – Previous 30 Days 8</p> <ul style="list-style-type: none"> • COVID19 response <ul style="list-style-type: none"> • April visits back to baseline productivity, May MTD projecting 11k visits • Target is 60:40 blend of in-person:virtual • Active screening measures in place for face-to-face visits • Flexed off PT staff for expense reduction to mitigate revenue hit • Drive-through testing with Verily Project Baseline topping 200 scheduled/day • Homeless testing – encampments/shelters • 8 Occupational testing MOUs in place • Wipfli and DHCS finalizing 5 PPS rates by 5/29 – very favorable outcome of rate setting audit (discussed at 5/21 FinCom) • SJCC/SJGH formal MOU – Fiscal Solutions working on revision #2 • Grant awards <ul style="list-style-type: none"> • Essential Health Access - Title X (\$300k) • Sunlight Giving x 2 (\$75k and \$35k) • HealthNet COVID telehealth (\$100k) • HRSA funding opp – extended to LALs – potential for \$592k for SJCC to support COVID response efforts, app due 6/2 • PRIME DY15-MY report submitted 5/18; projecting 94% dollar capture for DY15 based on anticipated approved methodology (CAPH guidance) • Request for extensions to current 1115 waiver have been submitted by DHCS to CMS (likely WPC will continue into 2021) • CalAIM implementation delay official based on Governor’s May budget revision • SJCC Management taking operational steps regarding Hazelton and Manteca closures <ul style="list-style-type: none"> • Staff layoffs occurring in June; new provider templates taking effect in June (rolling) • Working with County Counsel and County General Services Department on Manteca lease disposition <p style="font-size: small;">Fadoo, 5/26/20</p> <div style="text-align: right;">  </div> <p>Dr. Fadoo advised we are doing quite a bit of homeless testing in the encampments and shelters. Over the weekend the clinics were covered in the Stockton Record in terms of the work that has been happening. Dr. Parsa, our Family Medicine Team, Joan Singson, our Population Health Director along with our Whole Person Care team have been out there doing a lot of the homeless testing.</p> <p>Dr. Fadoo stated the Board voted previously on a number of occupational testing MOUs. We now have eight of those in place and have moved into the private sector. We are doing migrant farmworker testing. The homeless testing and migrant worker testing are important in terms of building up our special populations which will help us build a case for moving away from a look-alike into a full 330 grantee once the next round of New Access Point (NAP) funding is made available by HRSA.</p> <p>Dr. Fadoo stated the Board approved the amendment to the co-applicant agreement which is now downtown with the County Board of Supervisors (BOS) and is being reviewed by the County Administrator’s office for presentation at the June 9th BOS meeting. There have been some questions raised by County Administrator / County Counsel that we are working through and it is possible this may be delayed to the June 16th meeting.</p>	<p>Attachment 8 (CEO Report)</p>	

AGENDA ITEM	ATTACHMENTS	ACTION
<p>In tandem with that, Susan Thorner and Renee Filson with Fiscal Solutions are going through the revisions to the MOU that would be put in place between the hospital and the clinics.</p> <p>Dr. Fadoo mentioned the Board seats for the hospital CEO (David Culberson) and for the Health Care Services Director (Greg Diederich) has been brought into question by County Counsel and after reviewing with our consultants (Fiscal Solutions) it was decided to steer clear of that approach. The Board will hear more about this at the June meeting.</p> <ul style="list-style-type: none"> Grant Awards Jeff Slater advised we received four grants totaling \$510k. We are proposing a grant application we are submitting on Tuesday for approximately \$600k that we should also receive and can report to the Board next month. <p>The first grant is related to something Kris Zuniga mentioned earlier, Central Access Health where we had identified \$100k worth of revenue this past month. This will be a \$300k grant, sort of a continuation upon the last one, it runs for a year, it is a Family Planning Services (except for abortions) Grant. It is Federal dollars that will run from April 1st, 2020 through March 21st, 2021. We just received the contract on May 11th and will be taken to the BOS on June 16th for approval.</p> <p>The second grant; we received two grants from Sunlight Giving. They are a funder based in Palo Alto that funds Health Care Services access for families and their children in the Greater Silicon Valley (they consider San Joaquin County to be within the Greater Silicon Valley). The first \$75K grant is our third grant from them. They do not have any restrictions on the funding other than it be to support activities to improve access to care for young families and their children. In the past we have used their grants for buying equipment for the clinics and technology to help with robocalls and outreach. At this time, we are still working on determining exactly how those funds will be spent. It starts on July 1st and runs for a year.</p> <p>The \$35k grant is a COVID-19 rapid response fund. With that they are trying to support their partners with their response to COVID-19. We do not have a final decision on how we will use that. The contract will be received within the next week or two.</p> <p>The final grant is from Healthnet for \$100k. They had a statewide COVID telehealth initiative where they were funding Primary Care Clinics to support expansion of telehealth (video and phone visits) to address COVID-19. We requested \$125k, we received \$100k and we will primarily be using the funding for necessary technology and personnel to plan and implement expanded telehealth services in a way that is integrated with our Electronic Health Records (EHR) to allow easier access to patient data and billing for services.</p> <p>Dr. Fadoo advised a lot the relief effort from HRSA and from the Bureau of Primary Health Care have been extended to existing 330 grantees and the look-alikes have largely been excluded from eligibility for those funds until now. We receive a notice from HRSA last week that we would specifically be eligible for up to \$592k. Dr. Fadoo stated they spoke with the project officer at HRSA this morning. It is a pretty straightforward application that is not likely to be competitive and if we apply, we can potentially receive those funds. It is due on Tuesday and they hope to report back to the board next month. We are requesting the board's approval to submit the application. Alicia Yonemoto made a motion to submit the application, Ismael Cortez seconded the motion and the board unanimously approved the motion.</p>		<p>Motion to approve submitting application for HRSA funding Grant – Alicia Yonemoto, seconded by Ismael Cortez & unanimously approved by the board.</p>

AGENDA ITEM	ATTACHMENTS	ACTION
<p>Dr. Fadoo advised for the last bullet point, we are still on track to close down Hazelton and Manteca sites in June on a rolling basis.</p> <p>We have been working with County Counsel and County General Services Department on the Manteca Clinic Lease. They have spoken with a Real Estate Broker to look for a potential sub-lease tenant. We are looking inwardly at other county departments before we look at private sector sub-tenants. The Board will hear more at next month's meeting regarding this item.</p>		
<p>9. <u>ADJOURNMENT</u></p> <p>There being no further topics of discussion, Rod Place adjourned the meeting at 6:23 p.m. Closed Session followed for the Executive Director Evaluation discussion.</p>		<p>No Action Required</p>

Signed by:

 RESPECTFULLY SUBMITTED ON BEHALF OF SJCC BOARD BY:
 ADELÉ R. GRIBBLE, OFFICE TECHNICIAN COORDINATOR
 ACS ADMINISTRATION, SAN JOAQUIN COUNTY CLINICS

 Date