



# Health Care Services Review Project Committee

## Agenda

San Joaquin County Administration Building  
44 N. San Joaquin Street, Room 146, Stockton, CA 95202  
Wednesday, March 20, 2024  
8:30 a.m. to 10:00 a.m.

Watch Live on YouTube: [www.youtube.com/c/sanjoaquincountyca](http://www.youtube.com/c/sanjoaquincountyca)

### Committee Members

Paul Canepa | Steven J. Ding | Sandy Regalo | Brandi Hopkins | Jennifer Van Steyn | Ed Kiernan  
Quenny Macedo | Jeff Woltkamp | Greg Diederich | Rick Castro | Abe Nunez | Kris Zuniga

### Agenda Items

#### Procedural Items

- |                  |               |
|------------------|---------------|
| 1. Call to Order | Sandy Regalo  |
| 2. Roll Call     | Annette Rivas |

#### Action Items

- |   |              |
|---|--------------|
| 3. Approve Minutes from February 21, 2024 | Sandy Regalo |
|---|--------------|

#### Information and Discussion Items

- |  |                |
|--|----------------|
| 4. Present 2024 Financial Results through January for County Clinics               | Kris Zuniga    |
| 5. Present 2024 Financial Results through January for San Joaquin General Hospital | Abe Nunez      |
| 6. Proposed Committee Format Change  | Brandi Hopkins |
| 7. Preliminary Quality Scores and Background for QIP Program                       | Greg Diederich |
| 8. Public Comment  | Sandy Regalo   |

#### Committee Comments

#### Closed Session

There are no closed session items scheduled for this date.

#### Adjournment

Next meeting April 17, 2024 Sandy Regalo

### Other Information

Public comments will be made part of the official record on file. Written public comments are limited to 250 words or less and may be emailed to the Committee at [hcsrpccommittee@sjgov.org](mailto:hcsrpccommittee@sjgov.org). Written public comments will not be read during the Public Comment period.

*Note: If you need a disability-related modification or accommodation to participate in this meeting, please contact the County Administrator's Office at (209) 468-3203 at least 48 hours prior to the start of the meeting. Gov. Code Section 54954.2(a).*



# Health Care Services Review Project Committee

## Minutes

San Joaquin County  
Health Care Services Review Project Committee  
Minutes of Wednesday, February 21, 2024 8:30 a.m.

### Procedural Items

#### 1. Call to Order

Assistant County Administrator Brandi Hopkins called the meeting to order at 8:30 a.m.

Ms. Hopkins stated that at least a portion of this Health Care Services Review Project Committee meeting is conducted pursuant to California Code Section 54953, in that Committee member Kris Zuniga is at the alternate location of 4860 Eldorado Drive, La Verne, California. Committee member Zuniga is participating via Microsoft Teams. In accordance with the Ralph M. Brown Act, each alternate location has been identified in the notice and agenda for this meeting.

#### 2. Roll Call

Present:

Paul Canepa, District 2 Supervisor

Steven J. Ding, District 4 Supervisor

Brandi Hopkins, Asst. County Administrator

Ed Kiernan, County Counsel

Kris Zuniga, CFO of San Joaquin County Clinics

Jennifer Van Steyn, Sr. Deputy County Administrator

Rick Castro, CEO of San Joaquin General Hospital

Abe Nunez, CFO of San Joaquin General Hospital

Greg Diederich, Interim CEO of San Joaquin County Clinics,

Director of Health Care Services

Not Present:

Jay Wilverding, County Administrator

Jeff Woltkamp, Auditor-Controller

Quenny Macedo, Deputy County Counsel

### Action Items

#### 3. Approve Minutes from January 17, 2024

**Motion to approve the Minutes as listed on the Agenda. Approved.**

**RESULT: ADOPTED [UNANIMOUS]**

**MOVER:** Paul Canepa, District 2 Supervisor

**SECONDER:** Rick Castro, CEO of SJGH

**AYES:** Canepa, Ding, Hopkins, Van Steyn, Kiernan, Diederich, Castro, Nunez, Zuniga

**ABSENT:** Wilverding, Woltkamp, Macedo

### Information and Discussion Items

#### 4. Present 2023 Financial Results through December for County Clinics

San Joaquin County Clinics (SJCC) CFO Kris Zuniga and Interim CEO Greg Diederich presented financials through December. The Committee asked for clarity on recruitment efforts, benefits, and billable visits. Mr. Diederich responded to questions from the Committee. Ms. Hopkins informed the Committee that the County Administrator's office is engaged in SJCC conversations regarding benefits and will provide a report out when available.

**5. Present 2023 Financial Results through December for San Joaquin General Hospital**

San Joaquin General Hospital (SJGH) CFO Abe Nunez presented financials through December. Mr. Nunez and San Joaquin General Hospital (SJGH) CEO Rick Castro responded to questions from the Committee. The Committee agreed that a collaboration with SJGH and SJCC would be beneficial for the community. SJGH, SJCC and Health Plan of San Joaquin (HPSJ) will be working together in a series of ongoing meetings to ensure collaboration as a Health System.

**6. Public Comment**

There were no public comments.

**Closed Session**

**7. There were no closed session items scheduled for this date.**

**Committee Comments**

Mr. Diederich provided an update on the positive onsite operational visit by HRSA on January 23, 2024 through January 25, 2024. Out of 93 elements with over 400 specific items, there were only five minor findings that can be remediated. A final report from HRSA will provide a 14-day compliance resolution opportunity period. The Uniform Data Systems report was submitted to HRSA as well.

Mr. Diederich informed the Committee that Rod Place has resigned from the San Joaquin Health Board of Directors. Mr. Diederich also expressed his gratitude to Dr. Jonathon Diulio, CMO for his ongoing work on with QIPs and provider recruitment efforts.

**Adjournment**

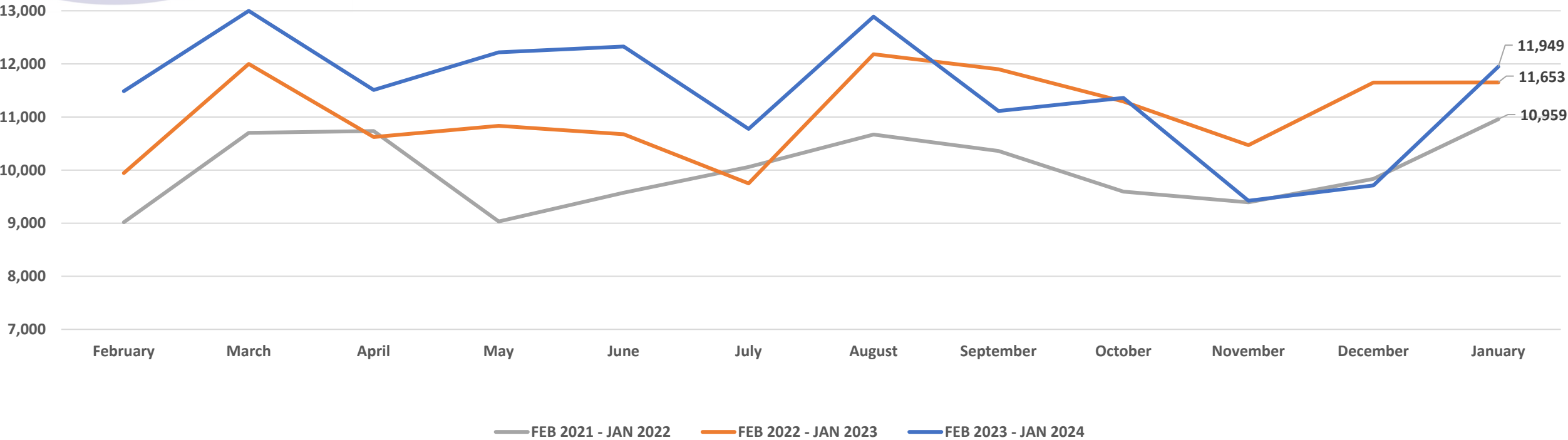
At 9:48 a.m., Assistant County Administrator Hopkins adjourned the meeting to March 20, 2024, at 8:30 a.m.

# **SAN JOAQUIN HEALTH CENTERS CFO PRESENTATION**

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Kristopher D. Zuniga  
Chief Financial Officer  
Presentation Date: 03/20/2024

### 36-MONTH BILLABLE VISIT TRENDS (BY DOS)



Visits By Financial Class	Actual
Medi-Cal Managed Care	74.68%
Medicare	11.31%
Medi-Cal	9.72%
Commercial	2.39%
Self-Pay	1.89%
Total	100.00%

FY24 Month	Actual	Budget	Variance
Jul-23	10,838	11,241	(403)
Aug-23	12,936	12,970	(34)
Sep-23	11,147	12,634	(1,487)
Oct-23	11,374	12,366	(992)
Nov-23	9,424	11,761	(2,337)
Dec-23	9,712	12,719	(3,007)
Jan-24	11,949	12,310	(361)
Total	77,380	86,001	(8,621)

# SJ HEALTH INCOME STATEMENT – JANUARY 2024

	Current Period		Current Period		YTD Budget - Original	YTD Budget Variance - Original
	Actual	Budget - Original	Budget Variance - Original	Current Year Actual		
<b>Operating Revenue</b>						
Net Patient Service Revenue	1,745,987	1,874,386	(128,399)	13,331,611	13,822,348	(490,737)
Supplemental Revenue	4,083,127	1,007,155	3,075,972	10,013,101	6,937,129	3,075,972
Capitation Revenue	516,391	491,733	24,658	3,696,708	3,649,087	47,621
Managed Care Incentives	0	0	0	503,362	0	503,362
Grant Revenue	302,016	492,447	(190,431)	1,949,368	2,965,900	(1,016,533)
340B Pharmacy Program	230,668	142,156	88,511	1,321,803	995,094	326,709
MOU & Other Income	220,645	53,506	167,139	859,120	374,542	484,578
<b>Total Operating Revenue</b>	<b>7,098,834</b>	<b>4,061,384</b>	<b>3,037,450</b>	<b>31,675,073</b>	<b>28,744,101</b>	<b>2,930,971</b>
<b>Expenditures</b>						
Salaries & Wages	1,680,270	1,752,365	72,095	12,100,968	11,993,191	(107,777)
Employee Benefits	908,001	982,838	74,837	5,177,514	6,724,970	1,547,456
Professional Fees	692,066	434,483	(257,584)	4,001,401	3,067,031	(934,370)
Purchased Services	226,966	174,147	(52,819)	1,262,595	1,219,031	(43,564)
Supplies	159,261	170,746	11,485	938,934	1,148,806	209,871
Depreciation	59,672	76,958	17,286	415,854	425,630	9,775
Interest	2,424	29,419	26,995	18,314	150,260	131,946
Office Expense	1,556	7,651	6,096	38,905	53,558	14,654
Dues, Subscription & Fees	149,122	66,431	(82,691)	929,629	465,019	(464,611)
Repairs & Maintenance	57,281	53,520	(3,760)	401,279	374,643	(26,636)
Telephone & Internet	9,394	4,929	(4,465)	59,345	34,503	(24,843)
Advertising & Promotions	40,884	0	(40,884)	86,410	0	(86,410)
Travel & Training	21,628	9,007	(12,621)	68,785	81,467	12,682
Insurance	14,493	15,883	1,390	113,077	111,183	(1,894)
Utilities	111,687	114,232	2,545	770,468	799,625	29,157
Rent	104,474	95,381	(9,093)	705,868	719,267	13,399
Miscellaneous	59,290	117,588	58,298	390,591	854,511	463,920
<b>Total Expenditures</b>	<b>4,298,471</b>	<b>4,105,580</b>	<b>(192,891)</b>	<b>27,479,938</b>	<b>28,222,694</b>	<b>742,756</b>
<b>Net Income(Loss)</b>	<b>2,800,363</b>	<b>(44,195)</b>	<b>2,844,559</b>	<b>4,195,134</b>	<b>521,407</b>	<b>3,673,727</b>

## SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS – YTD FY2024 (ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

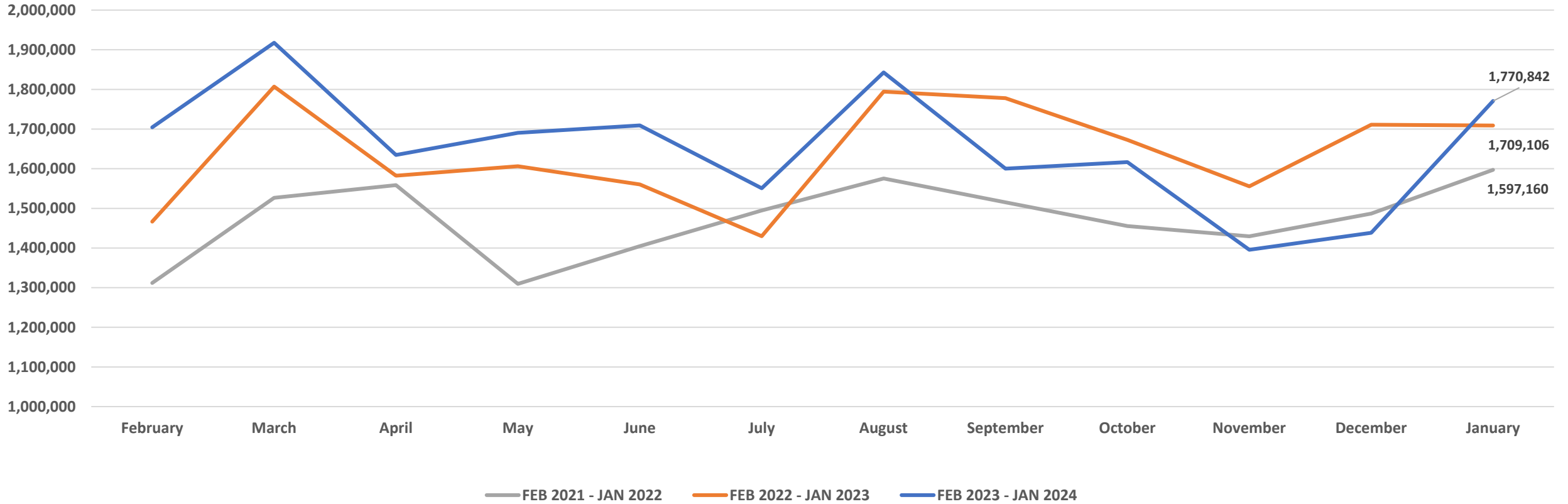
Income Statement Grouping	Current Period Actual	Current Period Budget -	Current Period Budget	FY2024 - Variance Explanations
Supplemental Revenue	10,013,101	6,937,129	3,075,972	Favorable variance related to additional QIP revenues recorded for \$553,139 for PY5 (CY2022), \$5,268,355 for PY6 (CY2023), \$254,478 for January PY7 (CY2024) offset by \$3,000,000 recorded to QIP Revenue Reserve account.
Managed Care Incentives	503,362	0	503,362	YTD favorable variance due to HEDIS incentive revenue from HPSJ for program year 2022.
Grant Revenue	1,949,368	2,965,900	(1,016,533)	Unfavorable variance as a result of underperforming grant activity in the month of January mainly related to HHIP, KP Health Connect, Sunlight Giving, Exact Science Focus Program, USDA, DCA, and Path Cited. Also, the January budget includes grant revenues for \$251,822 for the HRSA Community Project Funding grant related to the Lodi Clinic, which is on hold at present.
340B Pharmacy Program	1,321,803	995,094	326,709	YTD favorable variance due to CVS pharmacy revenue from April to January 2024 for \$466,325.
MOU & Other Income	859,120	374,542	484,578	YTD favorable variance mainly due to \$499,905 recorded for interest income.
Employee Benefits	5,177,514	6,724,970	1,547,456	For purposes of annual budgeting, per SJ County direction, county employees purchased by SJHC were budgeted at 66% benefits cost to salaries. Year-to-date actual benefits cost as a percentage of salaries, as of January 2024 is 43%.
Professional Fees	4,001,401	3,067,031	(934,370)	YTD negative variance due to higher locum costs for \$563,474 in FY2024 compared to budget and unbudgeted legal fees for \$285,648. Also, includes unbudgeted CAPC fees for \$106,108 (reimbursed by Practice grant).
Supplies	938,934	1,148,806	209,871	Favorable variance based on the actual expenses incurred
Dues, Subscription & Fees	929,629	465,019	(464,611)	YTD unfavorable mainly due to unbudgeted subscription costs in FY24. Also, partially related to the subscription expenses for \$144,886 being amortized for prior year contracts such as Cipherhealth, Luma, Doximity, Eplus Technology. These contracts were funded through various grant projects and the related grant revenues were fully recognized in prior fiscal year.
Miscellaneous	390,591	854,511	463,920	Favorable variance due to actual expenses trending lower than budget.

# SJ HEALTH BALANCE SHEET- JANUARY 2024

	<u>PERIOD 0</u>	<u>QTR 1 FY2024</u>	<u>QTR 2 FY2024</u>	<u>JANUARY 2024</u>
Assets				
Cash & Cash Equivalents	20,741,223	21,104,398	19,989,037	20,094,125
Accounts Receivable	2,230,779	2,142,202	1,545,878	1,896,542
Property & Equipment	3,259,523	3,083,306	3,026,721	2,964,270
Other Assets	<u>14,204,238</u>	<u>15,559,592</u>	<u>17,834,435</u>	<u>20,379,160</u>
Total Assets	<u>40,435,763</u>	<u>41,889,498</u>	<u>42,396,070</u>	<u>45,334,098</u>
Liabilities				
Accounts Payable	869,089	986,144	1,188,859	937,226
Other Liabilities	<u>9,703,120</u>	<u>10,397,598</u>	<u>7,954,992</u>	<u>8,447,791</u>
Total Liabilities	<u>10,572,209</u>	<u>11,383,742</u>	<u>9,143,852</u>	<u>9,385,017</u>
Net Assets				
Unrestricted Net Assets	21,183,322	28,714,912	28,714,912	28,714,912
Restricted Net Assets	1,148,643	1,831,023	3,142,536	3,039,035
Current YTD Net Income	<u>7,531,589</u>	<u>(40,178)</u>	<u>1,394,771</u>	<u>4,195,134</u>
Total Net Assets	<u>29,863,554</u>	<u>30,505,756</u>	<u>33,252,219</u>	<u>35,949,080</u>
Total Liabilities and Net Assets	<u>40,435,763</u>	<u>41,889,498</u>	<u>42,396,070</u>	<u>45,334,098</u>



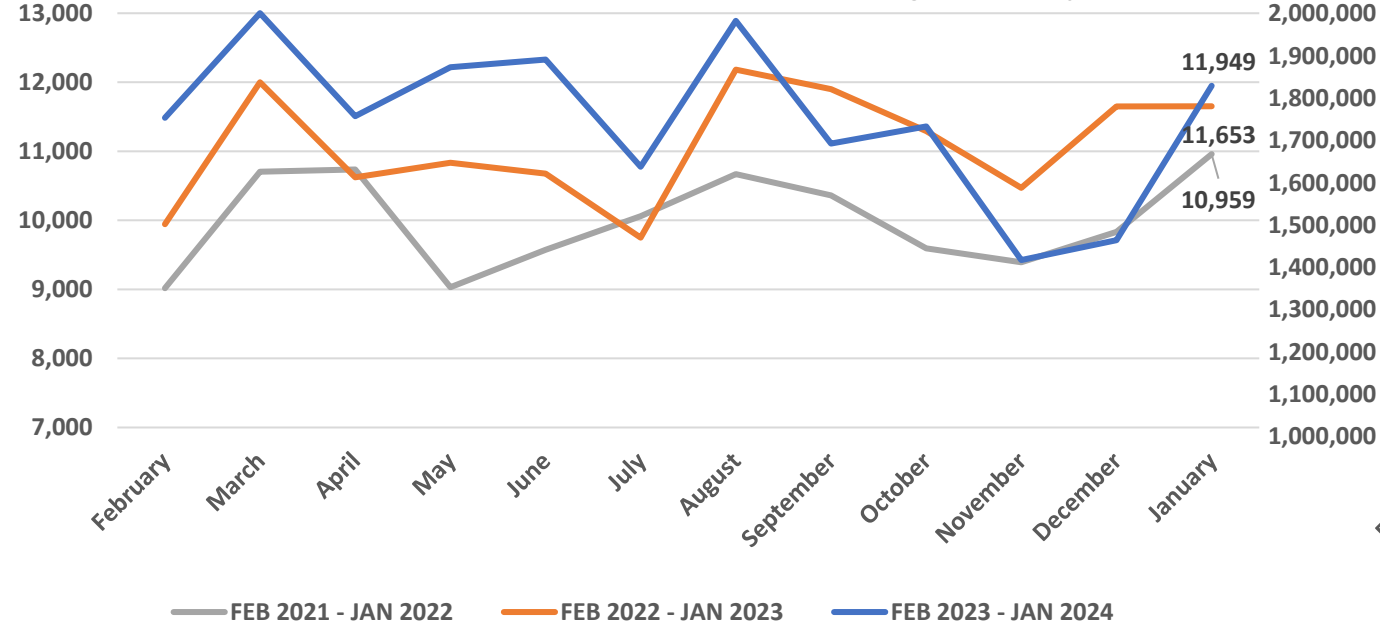
### 36-MONTH TRENDS - CASH COLLECTED



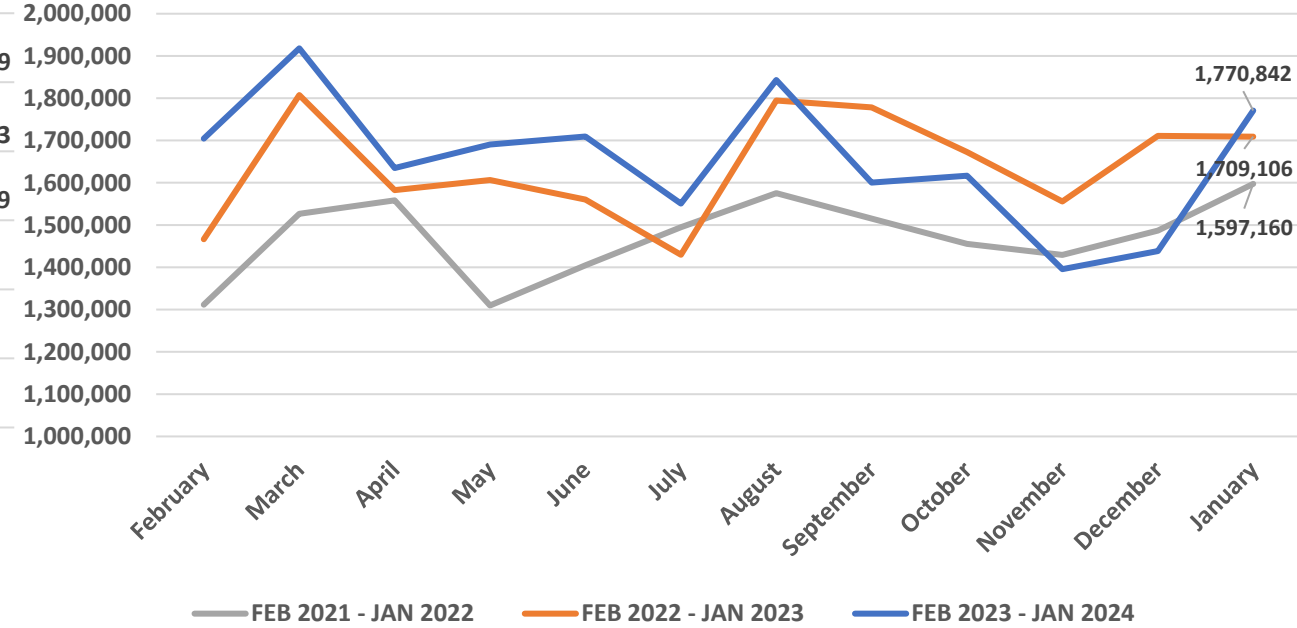
FY24 Collections by Financial Class	%
Medi-Cal Managed Care	78.47%
Medi-Cal	14.20%
Medicare	6.63%
Self-Pay	0.50%
Commercial	0.20%
<b>Total</b>	<b>100.00%</b>

NOTE: COLLECTIONS FROM NOVEMBER 2023 TO JANUARY 2024 HAVE BEEN ESTIMATED BASED ON AVERAGE COLLECTIONS PER DAY

### 36-MONTH BILLABLE VISIT TRENDS (BY DOS)



### 36-MONTH TRENDS - CASH COLLECTED



## SJ Health HRSA Financial Metrics

<b>Financial Metric</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>
<b>Cumulative Cost Per Unique Patient</b>	1,098	1,315	1,334	1,037
<b>Medical Cost per Medical Visit</b>	274	309	324	358

## CAPITAL LINK FQHC FINANCIAL BENCHMARKS VS SJ HEALTH

DATA SUMMARY	CAPITAL LINK TARGET	2021 NATIONAL MEDIAN	2021 CALIFORNIA MEDIAN	SJ HEALTH FYTD FY23 (AUDITED)	SJ HEALTH FYTD FY24
<b>FINANCIAL HEALTH</b>					
<b>1 Operating Margin</b> As a % of Operating Revenue	<b>&gt;3%</b>	10%	11%	13%	<b>13.1%</b>
<b>2 Bottom Line Margin</b> As a % of Operating Revenue	<b>&gt;3%</b>	13%	15%	14%	<b>13.2%</b>
<b>3 Days Cash on Hand</b>	<b>&gt;45 Days</b>	116	143	170	<b>160</b>
<b>4 Days in Net Patient Receivables</b>	<b>&lt;60 Days</b>	38	39	37	<b>31</b>
<b>5 Personnel-Related Expense (PRE)</b> As a % of Operating Revenue	<b>&lt;70</b>	66%	67%	69%	<b>71%</b>

# QUESTIONS & ANSWERS





# San Joaquin General Hospital

## FY 2023-2024 Financial Results January YTD (7 months)



- **YTD Net Income/(Loss)\*: (\$3.6M)** was **unfavorable to budget by \$368K**. We had slightly lower financial results than anticipated through the first 7 months of our new fiscal year driven by higher than projected expenses
- **YTD EBIDA Margin/(Loss)\*: (\$408K)** was **favorable to budget by \$327K** with an EBIDA Margin of (0.1%). Depreciation expense higher than projected due to timing of placing new capital items in service
  - **Volume:** Adjusted Patient Days\*\* **below budget by (2.3%)**. The lower inpatient revenues have been largely been offset by higher outpatient charges
    - ❖ Inpatient: Patient days (4.7%) **unfavorable to budget** while deliveries (3.1%) **exceeded budget** and prior year. Trauma cases **below budget by (3.7%)** while Case Mix Index (CMI) **above budget** and prior year (Medicare CMI → 2.01 CY Vs. 1.89 PY).
    - ❖ Ambulatory Services: Surgeries **favorable to budget** by 8.3% and Clinic Visits **positive to target by 2.5%**. Emergency services (8.5%) **below budget** to start the new fiscal year
    - ❖ Average Length of Stay: **Slightly above** budget 5.2 actual Vs 5.1 target
  - **Operating Revenue: \$3.7M** or **1.3% Favorable to Budget**
    - ❖ Net patient revenue was **unfavorable to target** driven by lower inpatient discharges, ED visits and Trauma cases
    - ❖ Supplemental payments **favorable to budget** due to prior year one-time pick ups
  - **Expenses: (\$4.1M)** or **1.4% Unfavorable to Budget**
    - ❖ Total Cost per CMI Discharge was slightly **unfavorable to target by 0.4%** due to lower inpatient discharges
    - ❖ Salaries & benefits **favorable to budget by 0.2%** due to vacant positions
    - ❖ Travelers (contract labor) **over target** but considerably below prior year level. We anticipate a further decrease in Traveler nurses in the coming months due to a recent spike in hiring. Developing a retention strategy will be critical

\* EBIDA: Earnings before Interest, Depreciation & Amortization

\*\* Inpatient days plus outpatient equivalent days

**YTD Financial results below budget from an operating margin and net income perspective**

	<b>Current Month</b>				<b>Year To Date</b>			
	<b>FY 2023-24 Actual</b>	<b>FY 2023-24 Budget</b>	<b>\$ Var</b>	<b>% Var</b>	<b>FY 2023-24 Actual</b>	<b>FY 2023-24 Budget</b>	<b>\$ Var</b>	<b>% Var</b>
Operating Revenue	\$ 44,078,046	\$43,141,357	\$ 936,689	2.2%	\$ 281,874,108	\$ 278,121,885	\$ 3,752,223	1.3%
Operating Expenses	43,575,332	44,286,904	711,572	1.6%	290,428,666	286,308,432	(4,120,234)	-1.4%
Operating Margin (Loss)	\$ 502,714	\$ (1,145,547)	\$ 1,648,261	143.9%	\$ (8,554,558)	\$ (8,186,547)	\$ (368,011)	-4.5%
Non-Operating (Transfers)	\$ 937,605	\$ 937,605	\$ -	0.0%	\$ 4,950,028	\$ 4,950,028	\$ -	0.0%
<b>Net Income (Loss)</b>	<b>\$ 1,440,319</b>	<b>\$ (207,942)</b>	<b>\$ 1,648,261</b>	<b>792.7%</b>	<b>\$ (3,604,530)</b>	<b>\$ (3,236,519)</b>	<b>\$ (368,011)</b>	<b>-11.4%</b>
EBIDA Margin *	\$ 1,586,737	\$ (76,216)	\$ 1,662,953	2181.9%	\$ (407,799)	\$ (735,275)	\$ 327,476	44.5%
EBIDA Margin %	3.6%	-0.2%			-0.1%	-0.3%		

\* EBIDA: Earnings before Interest, Depreciation & Amortization





# Statement of Net Income

## YTD Ended 1/31/2024

	Actuals	Budget	\$ Var Fav (Unf)	% Var Fav (Unf)	Prior Year	\$ Var Fav (Unf)	% Var Fav (Unf)
<b>Revenue</b>							
Gross Patient Revenue	\$ 1,348,650,336	\$ 1,330,640,463	\$ 18,009,873	1.4%	\$1,232,342,470	\$ 116,307,866	8.6%
Deductions from Revenue	1,156,456,295	1,133,952,711	22,503,584	2.0%	1,059,459,980	\$ 96,996,315	8.4%
Net Patient Revenue	192,194,041	196,687,752	(4,493,711)	(2.3%)	172,882,490	19,311,551	11.2%
Additional Funding (Supplemental)	72,673,705	68,022,821	4,650,884	6.8%	77,353,686	\$ (4,679,981)	(6.4%)
Other Revenue	17,006,362	13,411,312	3,595,050	26.8%	12,425,658	\$ 4,580,704	26.9%
<b>Total Operating Revenue</b>	<b>281,874,108</b>	<b>278,121,885</b>	<b>3,752,223</b>	<b>1.3%</b>	<b>262,661,834</b>	<b>19,212,274</b>	<b>7.3%</b>
<b>Operating Expenses</b>							
Salaries and Benefits	171,831,143	172,155,415	324,272	0.2%	152,286,543	(19,544,600)	(11.4%)
Professional Fees	41,386,304	33,682,783	(7,703,521)	(22.9%)	50,670,234	9,283,930	22.4%
Supplies	37,101,565	36,636,217	(465,348)	(1.3%)	35,798,619	(1,302,946)	(3.5%)
Purchased Services	17,807,603	23,369,406	5,561,803	23.8%	17,557,151	(250,452)	(1.4%)
Utilities	3,900,721	3,086,304	(814,417)	(26.4%)	3,512,875	(387,846)	(9.9%)
Insurance	5,285,790	5,338,678	52,888	1.0%	3,985,697	(1,300,094)	(24.6%)
Depreciation and Amortization	8,146,759	7,451,272	(695,487)	(9.3%)	7,395,989	(750,770)	(9.2%)
Other	4,968,781	4,588,357	(380,424)	(8.3%)	4,915,111	(53,670)	(1.1%)
<b>Total Operating Expenses</b>	<b>290,428,666</b>	<b>286,308,432</b>	<b>(4,120,234)</b>	<b>(1.4%)</b>	<b>276,122,219</b>	<b>(14,306,447)</b>	<b>(5.2%)</b>
<b>Operating Margin (Loss)</b>	<b>\$ (8,554,558)</b>	<b>\$ (8,186,547)</b>	<b>\$ (368,011)</b>	<b>(4.5%)</b>	<b>\$ (13,460,385)</b>	<b>\$ 4,905,827</b>	<b>36.4%</b>
Transfers	4,950,028	4,950,028	-	0.0%	2,626,311	2,323,717	88.5%
<b>Net Income (Loss)</b>	<b>\$ (3,604,530)</b>	<b>\$ (3,236,519)</b>	<b>\$ (368,011)</b>	<b>(11.4%)</b>	<b>\$ (10,834,075)</b>	<b>\$ 7,229,545</b>	<b>66.7%</b>
EBIDA Margin *	\$ (407,799)	\$ (735,275)	\$ 327,476	44.5%	\$ (6,064,396)	\$ 5,656,597	93.3%

YTD operating margin and net income lower than target through the first 7 months of the fiscal year driven by higher than anticipated expenses

\* EBIDA: Earnings before Interest, Depreciation & Amortization



# Statement of Net Position (Balance Sheet)

*Cash (\$50M) → Due to timing of supplemental program payments*

*Supplemental Funding AR \$39M*

*Capital Purchases \$4.5M*

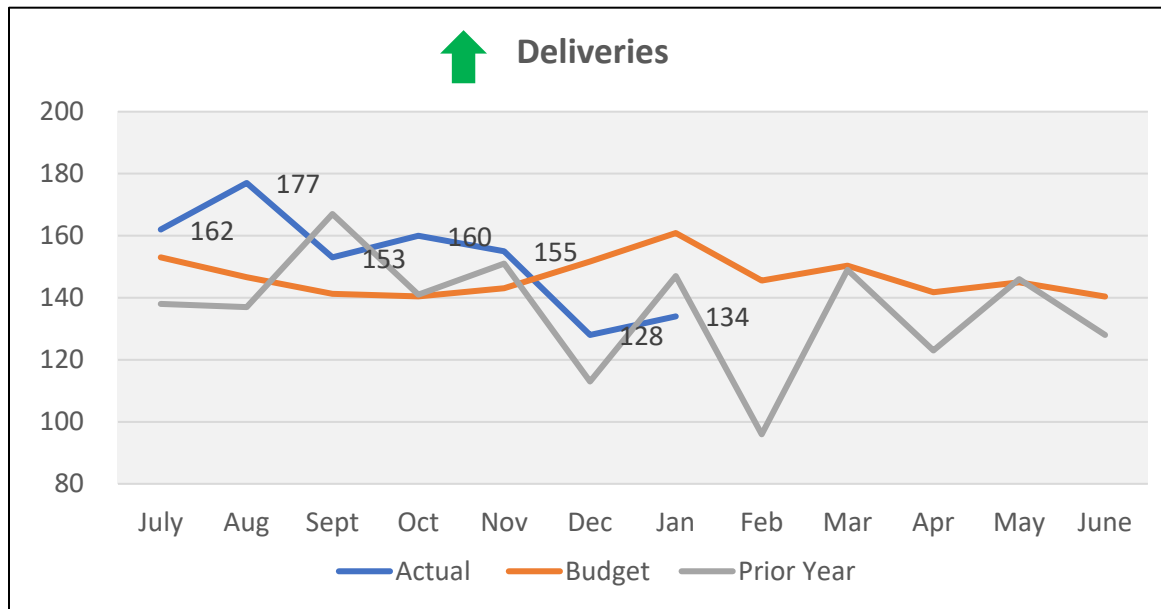
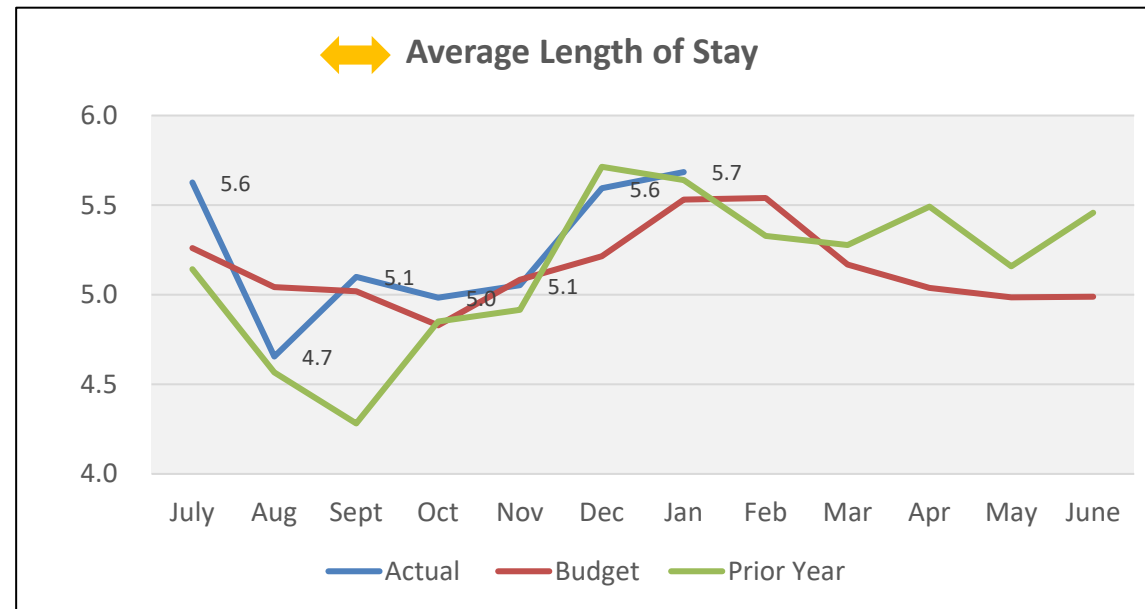
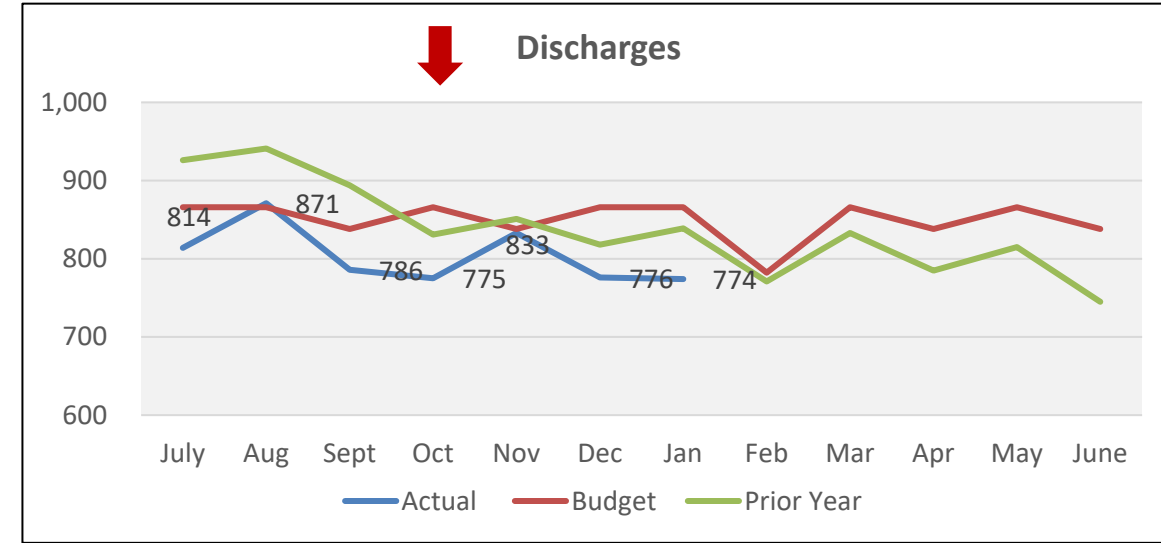
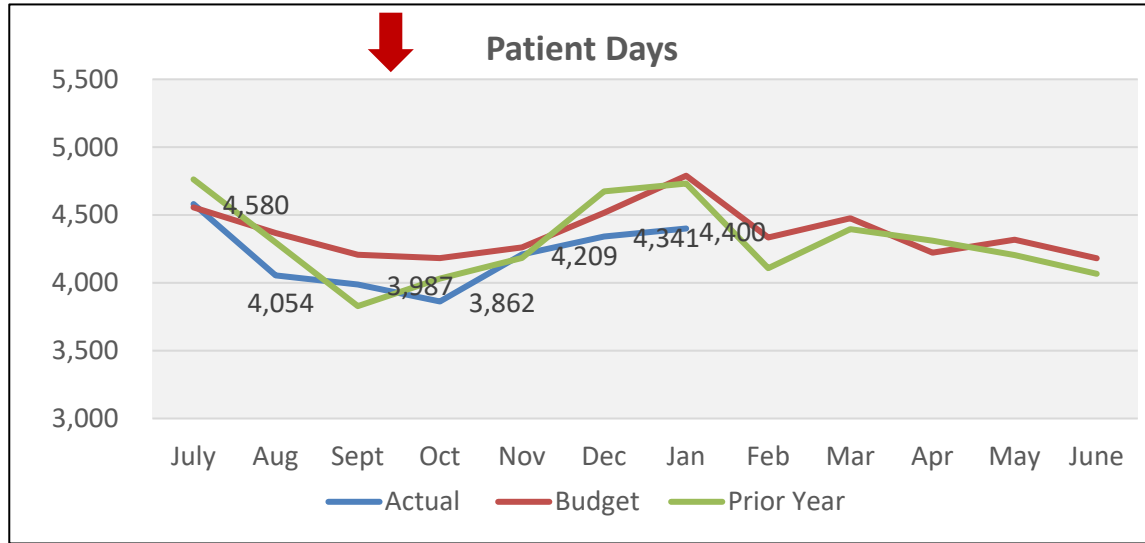
*Accounts Payable & Accrued Expenses \$5M*

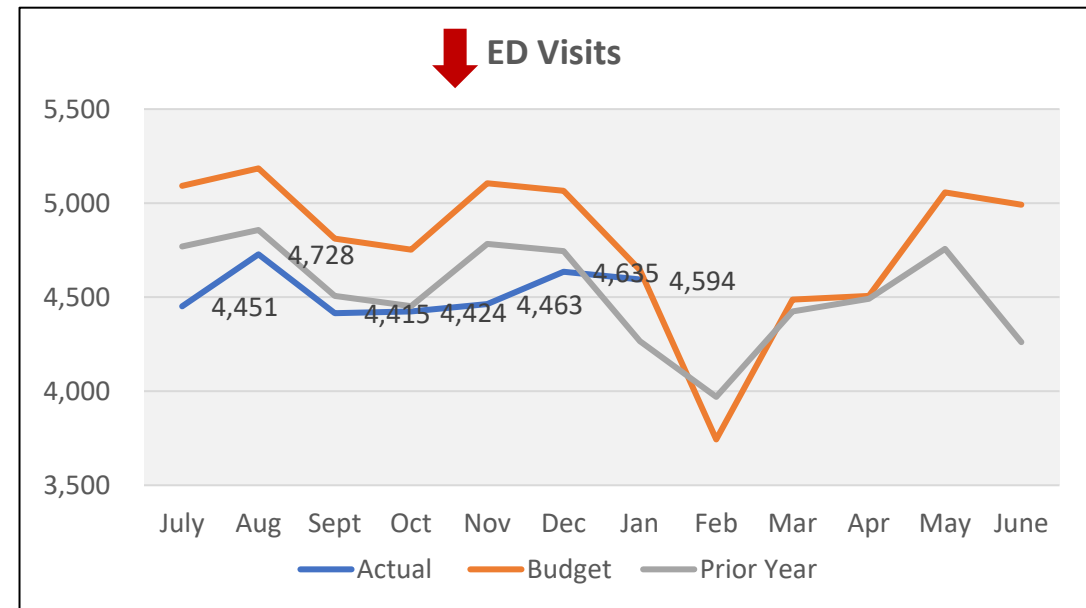
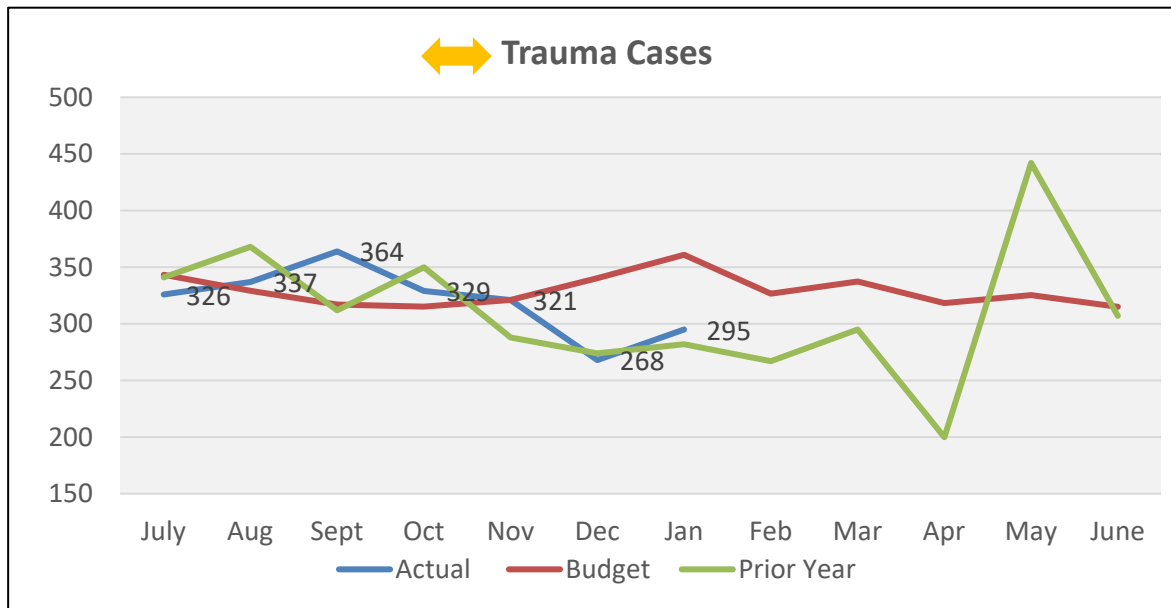
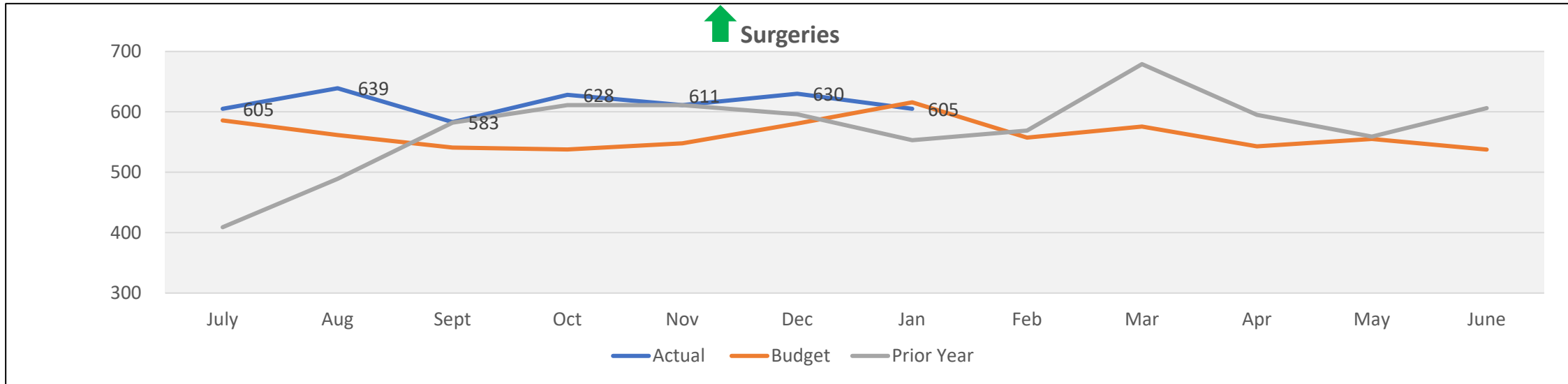
	Current Year	Prior Year	\$ Chg	% Var
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	51,614,710	102,042,107	(50,427,397)	-49.4%
Accounts Receivable, Hospital-Net	110,137,734	91,587,798	18,549,936	20.3%
Due from Additional Funding Agencies	192,928,924	153,614,360	39,314,564	25.6%
Other Current Assets	5,439,307	5,980,668	(541,361)	-9.1%
Other Non-Current Assets	56,675,876	56,675,876	-	0.0%
<b>Total Current Assets</b>	<b>416,796,551</b>	<b>409,900,809</b>	<b>6,895,742</b>	<b>1.7%</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Total Property, Plant & Equipment	244,296,175	239,695,119	4,601,056	1.9%
Accumulated Depreciation & Amortization	(145,269,753)	(137,122,994)	(8,146,759)	5.9%
<b>Property, Plant &amp; Equipment, Net</b>	<b>99,026,422</b>	<b>102,572,125</b>	<b>(3,545,703)</b>	<b>-3.5%</b>
<b>RESTRICTED ASSETS</b>	<b>5,936,560</b>	<b>6,043,465</b>	<b>(106,905)</b>	<b>-1.8%</b>
<b>TOTAL CURRENT ASSETS</b>	<b>521,759,533</b>	<b>518,516,399</b>	<b>3,243,134</b>	<b>0.6%</b>

	Current Year	Prior Year	\$ Chg	% Var
<b>CURRENT LIABILITIES</b>				
Accrued Liabilities	48,052,450	53,295,732	(5,243,282)	-9.8%
Current Maturities of Long-Term Debt	-	-	-	-
Due to Other County Departments	6,725,216	2,236,363	4,488,853	200.7%
Due to Third Party	48,101,327	41,481,226	6,620,101	16.0%
Deferred Revenue-Grants	7,427,773	6,098,399	1,329,374	21.8%
Deferred Inflow of Resources	913,803	1,154,277	(240,474)	-20.8%
<b>Total Current Liabilities</b>	<b>111,220,569</b>	<b>104,265,997</b>	<b>6,954,572</b>	<b>6.7%</b>
<b>LONG TERM DEBT</b>				
Other Post Employment Benefits	344,266,428	344,266,428	-	0.0%
	-	-	-	0.0%
<b>Total Long-Term Debt</b>	<b>344,266,428</b>	<b>344,266,428</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL LIABILITIES</b>	<b>455,486,997</b>	<b>448,532,425</b>	<b>6,954,572</b>	<b>1.6%</b>
NET ASSETS	66,272,536	69,983,974	(3,711,438)	-5.3%
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>521,759,533</b>	<b>518,516,399</b>	<b>3,243,134</b>	<b>0.6%</b>

Volume / Utilization Indicator	Month Jan, 2024	Budget Jan, 2024	% Budget Variance	Trend	FYTD Jan, 2024	Budget YTD Jan, 2024	% Budget Variance	Trend
Discharges	774	866	-10.6%	Red	5,629	6,006	-6.3%	Red
Total Patient Days	4,400	4,790	-8.1%	Red	29,433	30,870	-4.7%	Yellow
Adjusted Patient Days	7,118	7,756	-8.2%	Red	48,843	49,997	-2.3%	Yellow
Average Length of Stay (ALOS)	5.7	5.5	(0.2)	Red	5.2	5.1	(0.1)	Red
Average Daily Census (ADC)	141.9	154.5	-8.1%	Red	136.9	143.6	-4.7%	Yellow
Clinic Visits	4,536	4,922	-7.8%	Red	35,021	34,135	2.6%	Green
Emergency Visits	4,594	4,645	-1.1%	Yellow	31,710	34,657	-8.5%	Red
Trauma Cases	295	361	-18.3%	Red	2,240	2,327	-3.7%	Yellow
Surgeries	605	631	-4.1%	Yellow	4,301	3,970	8.3%	Green
Deliveries	134	140	-4.3%	Yellow	1,069	1037	3.1%	Green
CMI - Hospital	1.73	1.58	9.2%	Green	1.66	1.58	4.8%	Green
CMI - Medicare	2.13	1.95	9.1%	Green	2.01	1.95	3.1%	Green
Total FTEs (including Contractors)	1,902	1,801	-5.6%	Red	1,831	1,790	-2.3%	Yellow
Total Contractor FTEs	111	57	96.2%	Green	137	57	141.5%	Green

Financial Indicator (Millions)	Month Jan, 2024	Budget Jan, 2024	% Budget Variance	Trend	YTD Jan, 2024	Budget YTD Jan, 2024	% Budget Variance	Trend
Total Patient Revenue	198.7	206.4	-3.7%	Yellow	1,348.7	1,330.6	1.4%	Green
Total Net Patient Revenue	23.3	30.5	-23.6%	Red	192.2	196.7	-2.3%	Yellow
Additional Funding	16.8	10.6	59.4%	Green	72.7	68.0	6.8%	Green
Total Operating Revenue	44.1	43.1	2.2%	Green	281.9	278.1	1.3%	Green
Salaries & Benefits	27.0	26.7	-1.2%	Yellow	171.8	172.2	0.2%	Green
Contract Labor	5.5	5.2	-5.8%	Red	41.3	33.7	-22.6%	Red
Supplies	5.3	5.7	7.5%	Green	37.1	36.6	-1.3%	Yellow
Total Expenses	43.6	44.3	1.6%	Green	290.4	286.3	-1.4%	Yellow
Operating Income (Loss)	0.5	(1.1)	143.9%	Green	(8.6)	(8.2)	-4.5%	Yellow
Net Realignment & Cnty Contributions	0.9	0.9	0.0%	Green	5.0	5.0	0.0%	Green
Net Income (Loss)	1.4	(0.2)	792.7%	Green	(3.6)	(3.2)	-11.4%	Red
Operating Income %	3.3%	-0.5%	777.9%	Green	-1.3%	-1.2%	-9.9%	Red
EBIDA Margin	1.6	(0.1)	2181.9%	Green	(0.4)	(0.7)	44.5%	Green
EBIDA %	3.6%	-0.2%	3.8%	Green	-0.1%	-0.3%	0.1%	Green

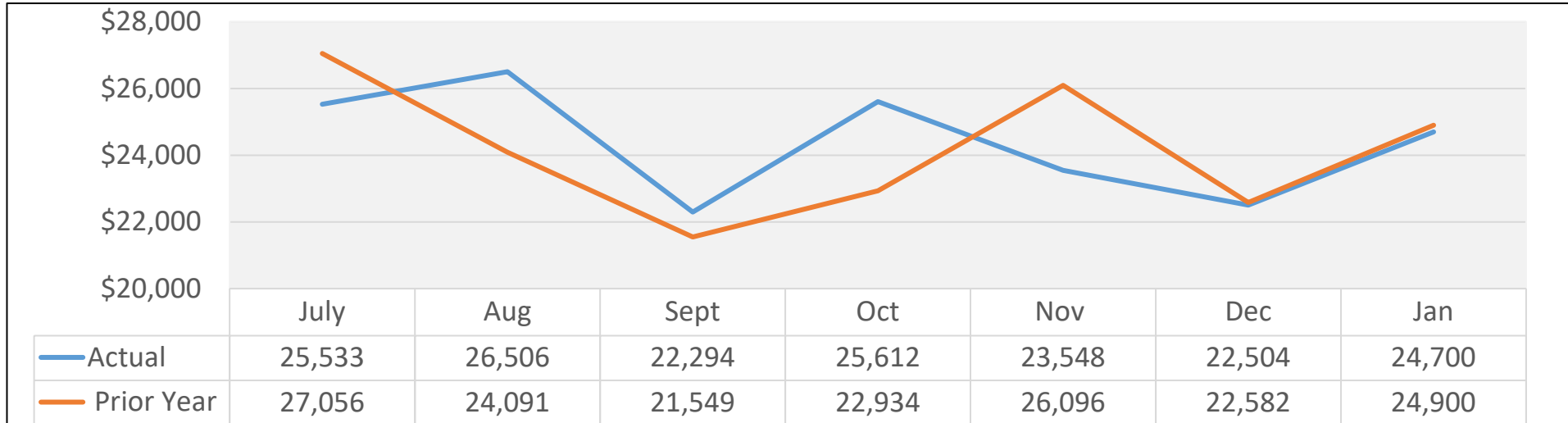




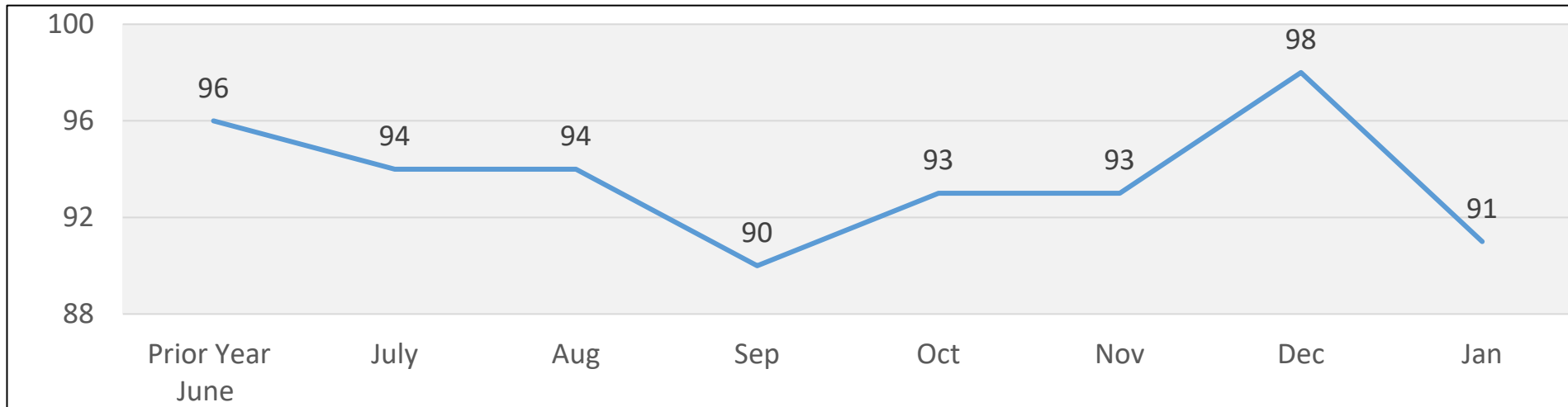


# Cash Collections and Accounts Receivable Days

## Cash Collections – Technical and Professional (in \$000's)



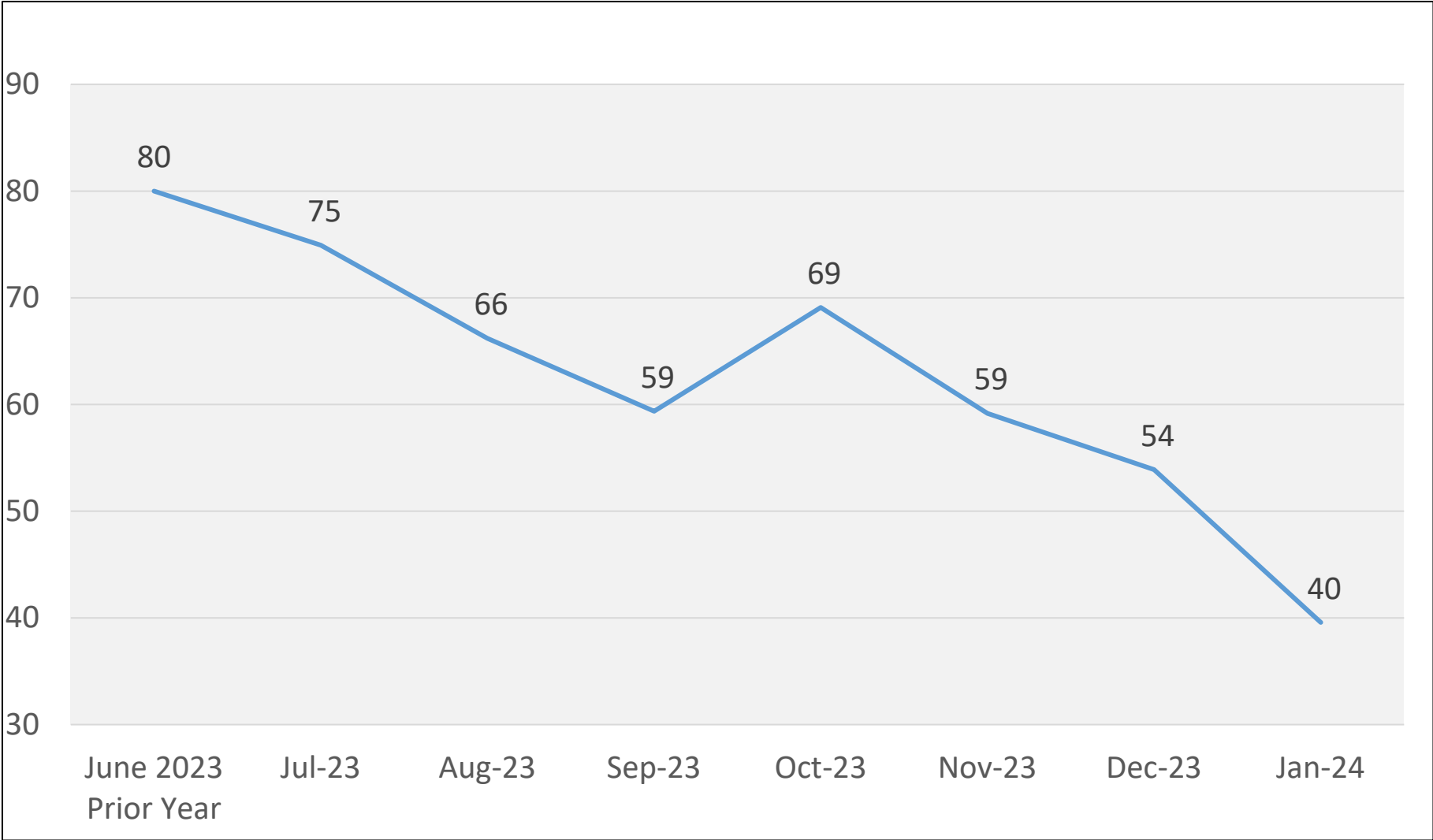
## Accounts Receivable Days



Cash collections have picked-up roughly 1.0% year over year through the first seven months. We expect continued progress in both collections and AR days going forward driven by ongoing Revenue Cycle initiatives.



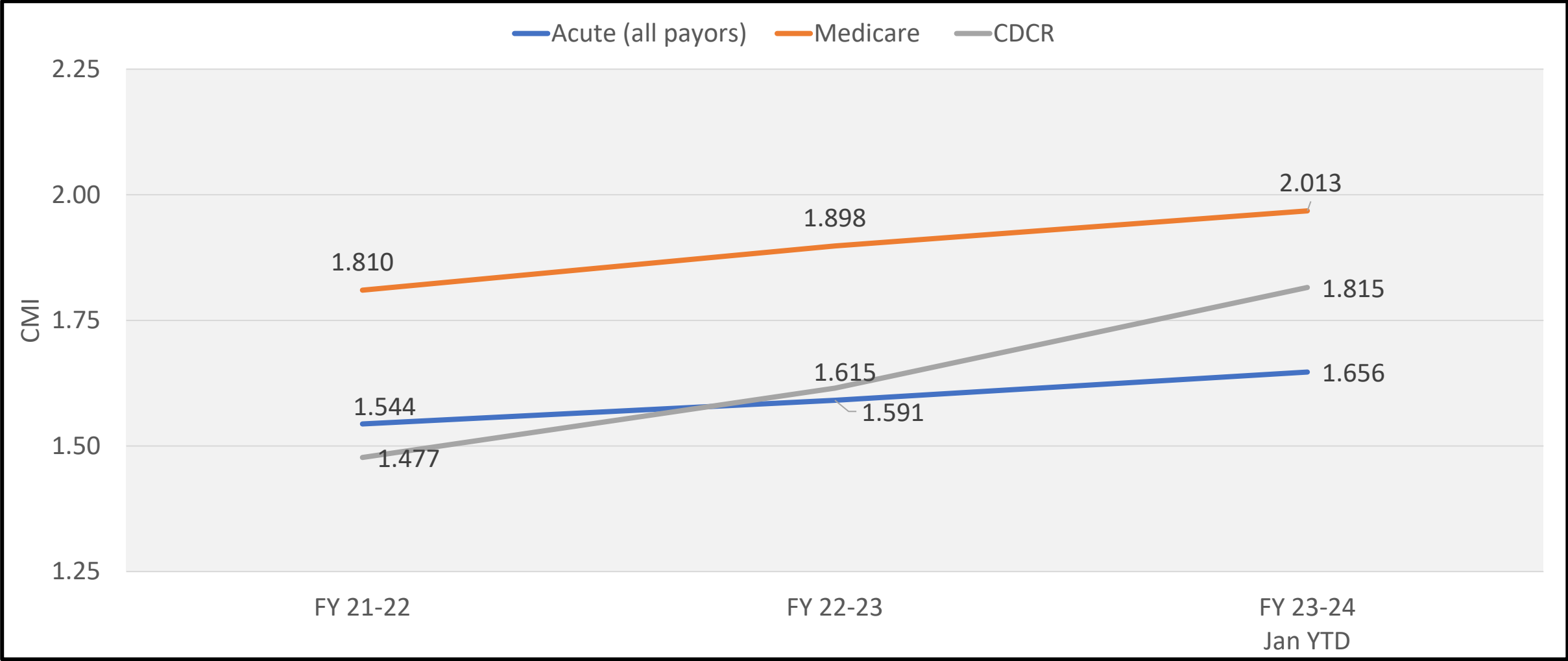
# Days Cash on Hand



**\$108M Projected Cash Inflows associated with Supplemental Programs expected before fiscal year-end:**

- ✓ \$48.6M - Voluntary Rate Range
- ✓ \$6.0M - AB 915 ACA
- ✓ \$16.4M – EPP
- ✓ \$36.0M – QIP (SJGH share)
- ✓ \$1.5M – HQAF Direct Care

Acuity level (CMI) of our patients has picked-up due to improved coding accuracy

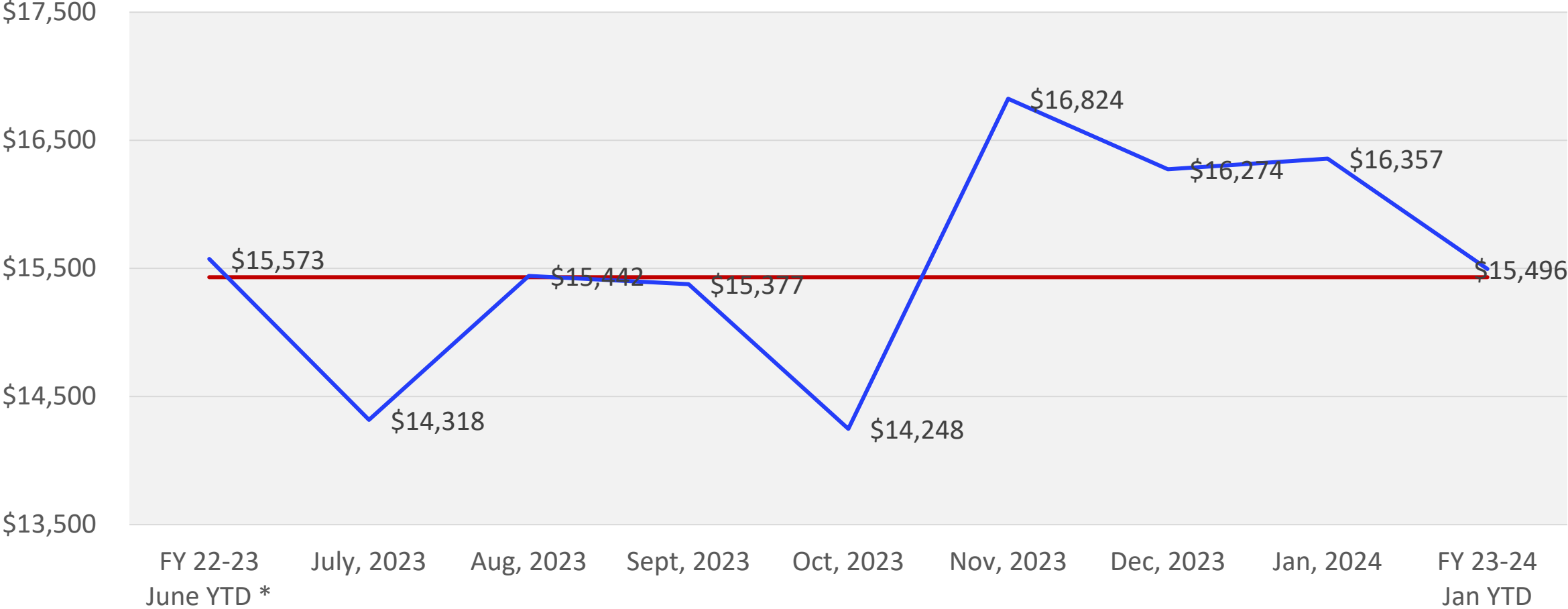






# Cost per CMI Adjusted Discharge

YTD Cost per CMI adjusted discharge running slightly above target but favorable to prior year.  
FY 2023-24 budget set at \$15,431



\* FY 2022-2023 unaudited

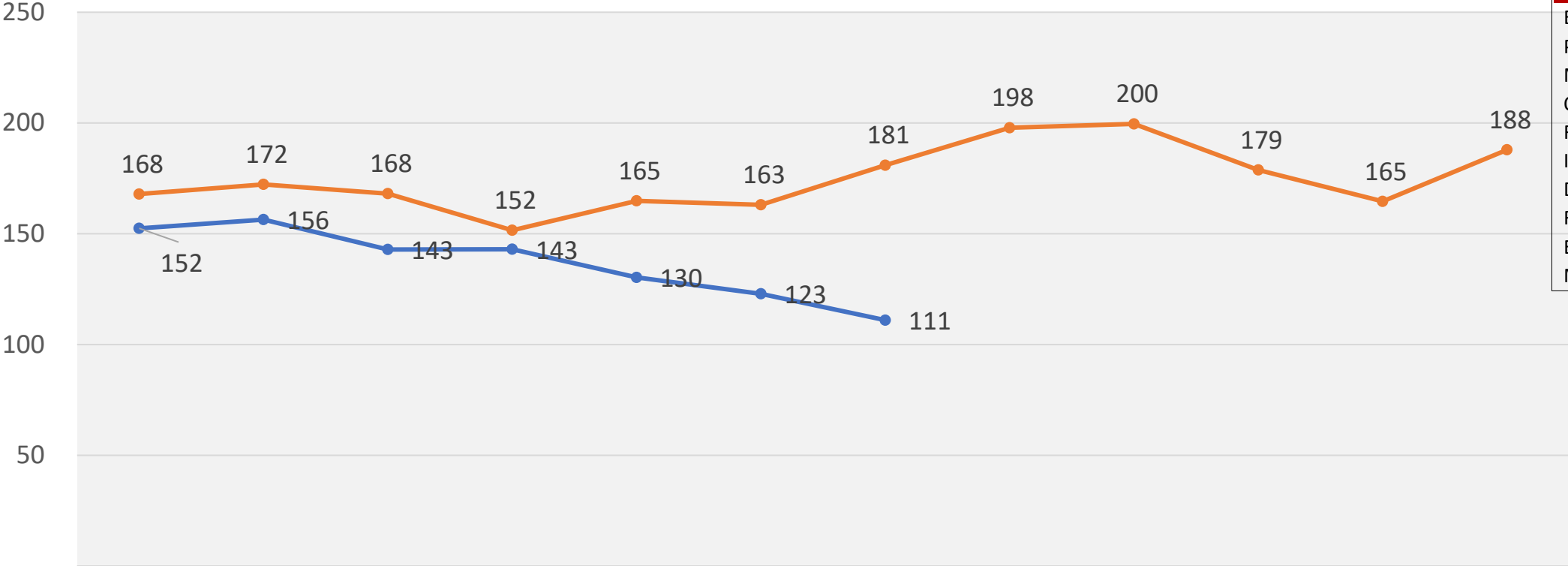


# Contract Labor

We've made considerable progress reducing our contract labor FTEs (travel nurses). We've started the new year lower than prior year, but still trending above target

Top 10 depts make up 80% of contractors

Contract Labor FTEs



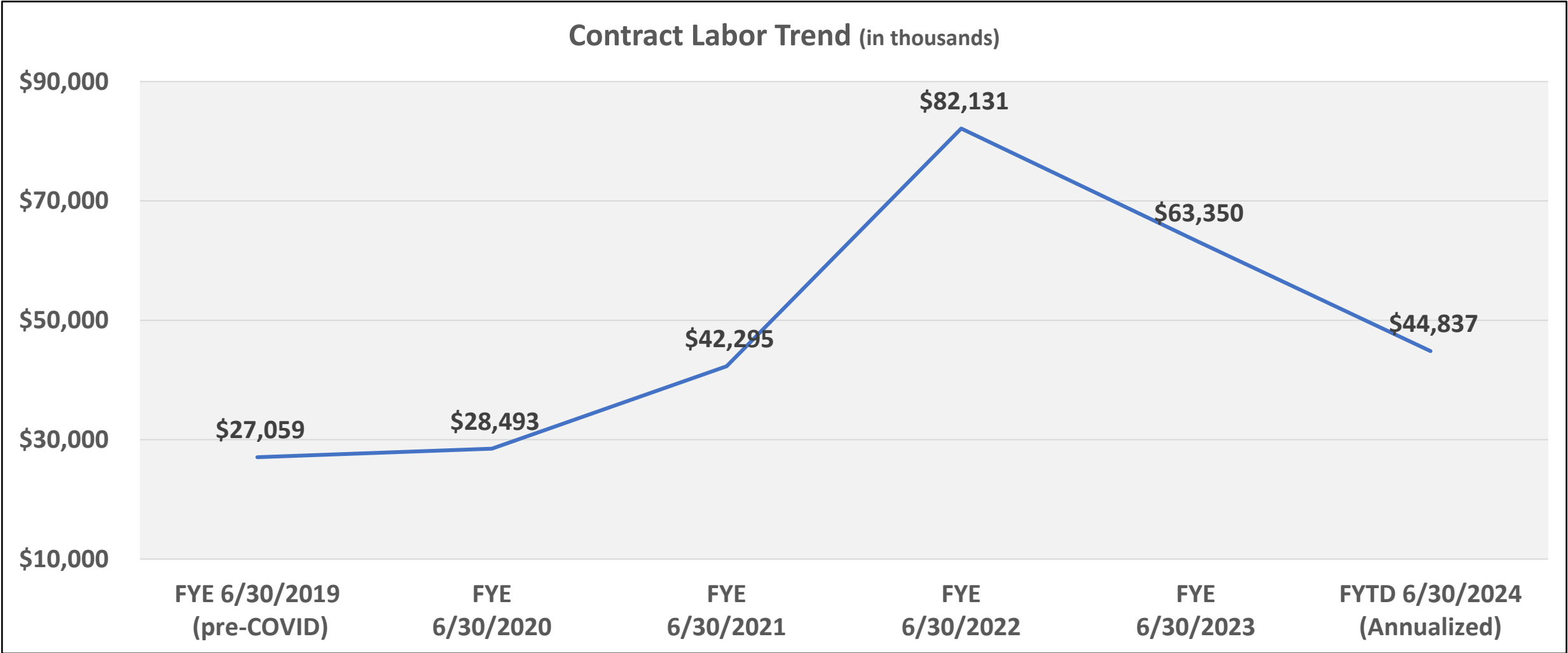
Cost Center	FTEs
EMERGENCY ROOM	32.9
PROGRESSIVE CARE UN	13.0
MED SURG 3B	12.2
OR/RR/AMBULATORY	9.9
RESPIRATORY CARE	9.2
ICU/CCU	9.0
DIETARY	6.7
RADIOLOGY	6.5
ENVIRONMENTAL SERV	4.9
MED SURG 2D	4.3

Actual	152	156	143	143	130	123	111					
Prior Year	168	172	168	152	165	163	181	198	200	179	165	188



# Contract Labor Trend

29% YoY decrease in contract labor dollars

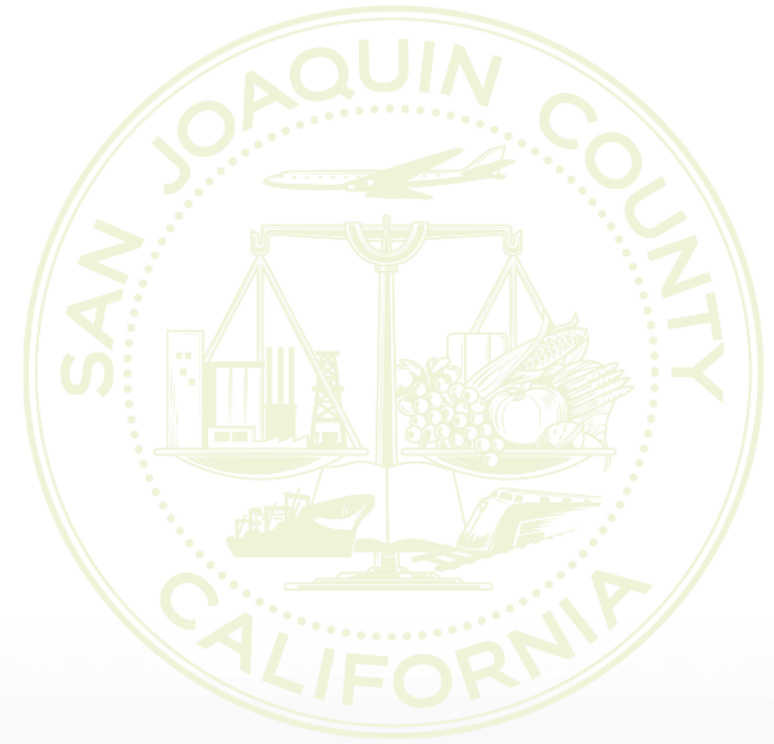


➤ Revenue

- ❖ QIP Quality Metrics
- ❖ EPP Supplemental Program Increase
- ❖ HPSJ Rate Increase
- ❖ Cerner Revenue Cycle Uplift

➤ Costs

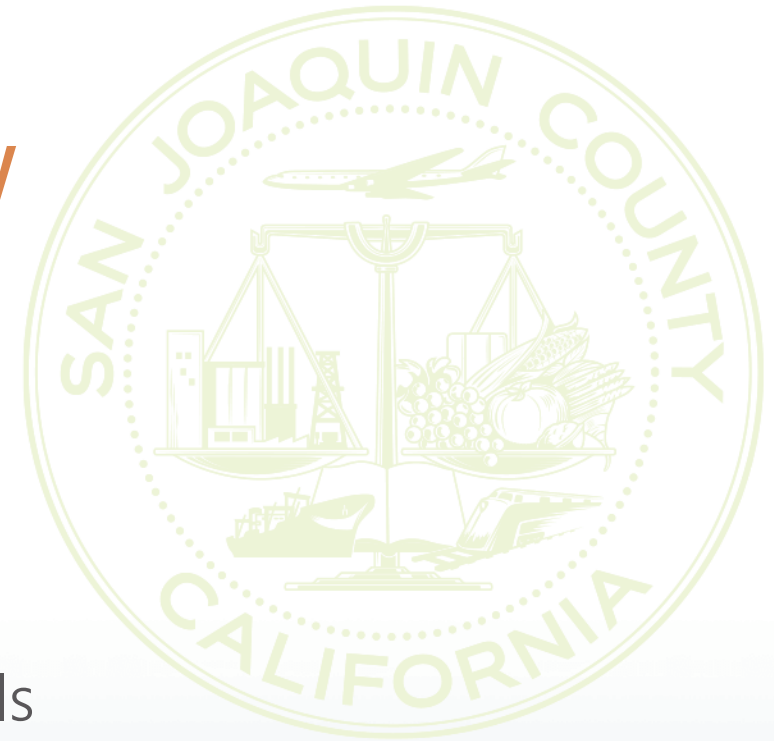
- ❖ Continued focus on traveler nurse reduction
- ❖ Supply savings by leveraging new SurgiTrack tool
- ❖ Reference lab savings



# Health Care Services Review Committee Meeting

*March 20, 2024*

# Meeting Overview



## Current

- Meets 3<sup>rd</sup> Wednesday of Month
- Agenda:
  - Financials
  - Committee Comments

## Proposed

- Quarterly
- Agenda:
  - Financials
  - Recruitment & Retention
  - Update on Collaboration Meetings
  - Update on Department Accomplishments

# Monthly Workgroup Meetings

- Agenda:
  - Recruitment & Retention Efforts
  - Collaboration and Efficiencies in Delivering Community Services
- Attendees:
  - County Administrator's Office, SJGH CEO & Team, HCS Director/Designee, & SJ Health Leadership



# Recommendations

- It is recommended to change the Health Care Services Review Committee meeting format from monthly to quarterly.
- It is recommended to create a monthly working group meeting.





# Quality Incentive Pool Program

Kris Zuniga, CFO

Dr. Jonathon Diulio, CMO

# Agenda



PROGRAM  
OVERVIEW



PRIOR  
PERFORMANCE



PY6 MEASURES &  
PERFORMANCE



PERFORMANCE  
IMPROVEMENT



CHALLENGES

# Quality Incentive Pool (QIP) Program Overview

- Calendar Year based program
- Successor to PRIME from 1115 Medi-Cal Waiver (2020)
- Medi-Cal managed care DPH directed payments program
- Pay-for-performance
- Required to report 40 measures
- 47% are HEDIS measures

# QIP Financial Overview

## **GROSS POOL AMOUNT**

**\$1.9 BILLION** which is expected to increase by 5% for CY24 & CY25

## **17 Participants**

5 UC Schools

12 Counties

There are only **two** drivers of QIP dollars:

1. Patients Seen and/or Assigned
2. Quality Metric Performance

Patients Seen and/or Assigned determine **PRO RATA GROSS POOL SHARE**

(turned in by participants in September following the end of the calendar year)

Metric Performance determines **EARNED PERCENTAGE** of **PRO RATA GROSS POOL SHARE**

(turned in by participants in June following the end of the calendar year)

# QIP Financial Mechanics

## **PARTICIPANT NET REVENUE CALCULATION**

Pro Rata Gross QIP Pool Share  
(Less: Inter-governmental Transfer)  
**Net Possible QIP Award**

Inter-governmental Transfer (IGT) = about 30% of Gross  
Net Possible Award = about 70% of Gross

Net Possible Award \* QIP Metric Performance Percentage = **QIP NET REVENUE EARNED**

# QIP Program Year Timeline



# QIP Historical Performance

Estimated Net Unearned Calculation (at County Health System level)							
Coverage Period	QIP Program Year	Projected/Actual	Net Possible Award	Net Revenues Earned	Net Revenues Unearned	Net Revenues Earned %	Net Revenues Unearned %
CY2025	PY8	Projected	57,875,328	43,406,496	14,468,832	75%	25%
CY2024	PY7	Projected	55,119,360	41,339,520	13,779,840	75%	25%
CY2023	PY6	Projected	52,494,629	39,370,971	13,123,657	75%	25%
CY2022	PY5	Partially Projected	50,756,376	47,981,271	2,775,105	95%	5%
CY2021	PY4	Actual	45,721,111	45,721,111	-	100%	0%
July - Dec 2020	PY3.5	Actual	20,018,284	18,909,956	1,108,328	94%	6%
FY2020	PY3	Actual	18,345,469	17,428,195	917,273	95%	5%
FY2019	PY2	Actual	13,680,984	13,680,984	-	100%	0%
FY2018	PY1	Actual	24,418,743	24,418,743	-	100%	0%

# Achievement Values (AVs)

Each measure = 1 point



# Over Performance

Progress toward performance target	OV for Over-Performance on Priority Measures (Method 1)	OV for Over-Performance on Elective Measures (Method 2)
≥15% and <20% gap closure, and ≥50th percentile/median benchmark	0.5	0.25
≥20% gap closure and ≥50th percentile/median benchmark	1.0	0.50
≥90th percentile	1.0	N/A

# Clinic Measures

## Primary Care Access and Prevention (DHCS Bold Goal Priority)

- Developmental Screening in the First Three Years of Life
- Chlamydia Screening in Women
- Well-Child Visits in the First 30 Months
- Immunizations for Adolescents
- Screening for Depression and Follow-Up Plan
- Childhood Immunization Status
- Child and Adolescent Well Care Visits

## Maternal and Perinatal Health (DHCS Bold Goal Priority)

- Prenatal and Postpartum Care: Postpartum Care
- Prenatal and Postpartum Care: Timeliness of Prenatal Care

## Primary Care Access and Prevention

- Breast Cancer Screening
- Cervical Cancer Screening
- Colorectal Cancer Screening
- HIV Screening
- Lead Screening in Children
- BMI Screening and Follow-Up Plan
- Influenza Immunization
- Tobacco Use: Screening and Cessation Intervention
- Weight Assessment and Counseling for Nutrition and Physical Activity

## Care of Acute and Chronic Conditions (CV, DM, HIV, Resp)

- CV – Controlling High Blood Pressure
- CV – CAD: Antiplatelet Therapy
- CV – Statin Therapy for the Prevention and Tx of CV Disease
- DM – HbA1c Poor Control (>9%)
- DM – Eye Exam
- HIV – HIV Viral Suppression
- Resp – AMR

## Care Coordination

- Plan All-Cause Readmission

## Behavioral Health

- Concurrent Use of Opioids and Benzodiazepines
- Depression Remission or Response
- Follow-Up After ED Visit for Alcohol and Other Drug Abuse/Dependence

## Overuse/Appropriateness

- Appropriate Tx for URI
- Use of Imaging Studies for Low Back Pain

## Experience of Care

- Advance Care Plan

# Hospital Measures

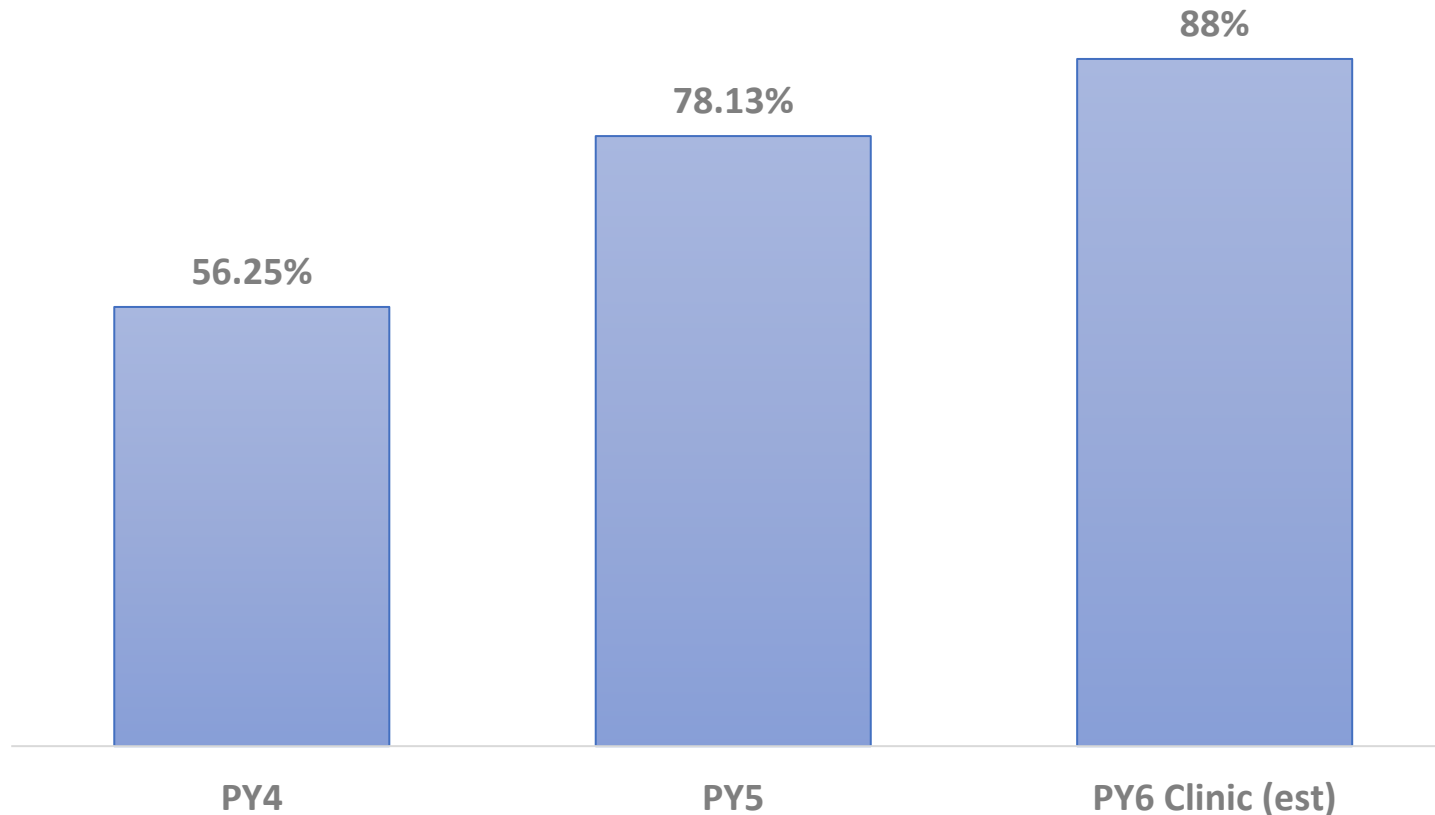
## **Maternal and Perinatal Health**

- Cesarean Birth (NTSV)
- Exclusive Breast Milk Feeding

## **Patient Safety**

- Discharged on Antithrombotic Therapy
- Perioperative Care: Venous Thromboembolism Prophylaxis
- Reduction in Hospital Acquired Clostridium Difficile Infections
- Surgical Site Infection

# Prior Performance of Raw Scores (PY4 – PY6)



- PY4 = CY2021
- PY5 = CY2022
- PY6 = CY2023
- P4P with 40 measures began in PY4
- COVID concessions for PY4: 40% P4P, 50% COVID related questions, 10% P4R

# Clinic Measures Not Meeting Targets

**Breast Cancer Screening – 2% (58) away**

Cervical Cancer Screening

Lead Screening in Children

Developmental Screening 0-3 Years

**Immunizations for Adolescents – 3 away**

Influenza Immunization

**Well Child Visits 15-30 Months – 7 away**

Depression Remission/Response

Prenatal Care – Timeliness Of

**Postpartum Care – 3 away**

HIV Viral Suppression

Use of Imaging Studies for Low Back Pain

Plan All-Cause Readmission

Advance Care Plan

# Performance Improvement

## Outreach and local MCP partnerships

- QA outreach campaigns
- QA leveraging i2i to create recall and gap lists to facilitate targeted outreach
- Mailer campaigns
- Leveraging Luma Health to further facilitate digital, automated outreach
- Mammography mobile van via collaboration with HPSJ
- incentive campaigns with support from HPSJ (backpacks, gift cards, vouchers) to improve access

## Clinic/documentation optimization

- Gap clinics
- Revised ambulatory workflows on screenings/health maintenance tasks
- QA providing elbow support to staff and providers on documentation deficiencies
- Standing orders implemented for many screening and primary and preventative care measures (BCS, CCS, CMS130, CMS69, CMS138, CMS347, CMS349, CHL)
- Implementation of Cerner flags to facilitate health maintenance orders
- MA huddles
- C2C and virtual visits to close gaps in screenings
- Collaboration with SJGH Radiology to receive warm handoffs for mammograms
- Use of coders started in Oct 2023
- Leveraging ECM to address SDOH suspected of presenting access barriers

## Data Collection

- QA report validations
- Interfaces built with Exact Sciences, RIDE, Quest to facilitate data capture for CRC and other screenings using lab tests
- Now receiving daily feed of ER visits from HPSJ

# Challenges

## Access

- Large assigned, unseen (increasing denominator and noncompliance rate)
- Unengaged patients and noncompliance – tests ordered, no follow through

## Data gaps

- Lack of external data/missed opportunities (Quest, outside physicians)
- Delayed and inconsistent data sets (claims, assignment) from health plans

## Operations/Clinical Staff

- Quality of documentation/accurate coding
- Scheduling patients outside measure window, appts cancelled despite outreach to care teams
- Hybrid provider buy-in
- Timeframe challenges: Patients not seen within measure window
- Physician and care team staff noncompliance