



Health Care Services Review Project Committee

Agenda

San Joaquin County Administration Building
44 N. San Joaquin Street, Room 146, Stockton, CA 95202
Wednesday, October 18, 2023
8:30 a.m. to 10:00 a.m.

Watch Live on YouTube: www.youtube.com/c/sanjoaquincountyca

Committee Members

Paul Canepa | Steven J. Ding | Jay Wilverding | 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 | Jay Wilverding |
| 2. Roll Call | Kristen Santo |

Action Items

- | | |
|--|----------------|
| 3. Approve Minutes from September 20, 2023 | Jay Wilverding |
|--|----------------|

Information and Discussion Items

- | | |
|---|----------------|
| 4. Present August 2023 Financial Results for County Clinics | Kris Zuniga |
| 5. Present August 2023 Financial Results for San Joaquin General Hospital | Abe Nunez |
| 6. Introduce and Discuss SJ Health Lodi Clinic | Greg Diederich |
| 7. Walk Through MOU | Greg Diederich |
| 8. Public Comment | |

Committee Comments

Closed Session

There are no closed session items scheduled for this date.

Adjournment

Next meeting December 20, 2023

Jay Wilverding

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. 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, September 20, 2023 8:30 a.m.

Procedural Items

1. Call to Order

County Administrator Wilverding called the meeting to order at 8:32 a.m.

2. Roll Call

Paul Canepa, District 2 Supervisor	Jeff Woltkamp, Auditor-Controller
Steven J. Ding, District 4 Supervisor	Rick Castro, CEO of San Joaquin General Hospital
Ed Kiernan, County Counsel	Abe Nunez, CFO of San Joaquin General Hospital
Jay Wilverding, County Administrator	Kris Zuniga, CFO of San Joaquin County Clinics
Jennifer Van Steyn, Sr. Deputy County Administrator	

3. Re-Introduction of Committee

County Administrator Jay Wilverding provided a brief background of the Committee and responded to questions from the Committee.

Action Items

4. There were no action items for this meeting.

Information and Discussion Items

5. SJCC - Present June and July 2023 Financial Results

County Administrator Wilverding introduced the item, presented by San Joaquin County Clinics (SJCC) CFO Kris Zuniga. CFO Zuniga and County Administrator Wilverding responded to questions and comments from the Committee.

Supervisor Ding requested more detailed reporting of Other Expenses in the SJ Health Income Statement.

6. SJGH - Present July 2023 Financial Results and Provide an MSA Deliverables Progress Update

County Administrator Wilverding introduced the item, presented by San Joaquin General Hospital (SJGH) CEO Rick Castro and CFO Abe Nunez. CEO Castro, CFO Nunez, and Auditor-Controller Jeff Woltkamp responded to questions and comments from the Committee.

County Administrator Wilverding requested a profit and loss statement, balance sheet, and cash flow statement.

CEO Castro, CFO Zuniga, and Supervisor Canepa cited recruiting concerns and challenges in the health care services market.

7. Public Comment

There were no public comments.

Closed Session

8. There were no closed session items scheduled for this date.

Committee Comments

San Joaquin County Clinics CFO Zuniga expressed quality and recruitment issues, noting the State of California has implemented pre-emptive sanctions for quality scores produced by providers.

Supervisor Ding asserted financially responsible quality care is the goal and thanked the Committee for their time.

County Administrator Wilverding read section 3.2.a of the Co-Applicant Agreement identifying the composition of this Committee. He also provided a brief introduction to the connection between the Liaison Committee, selection committee, and sourcing candidates to appoint a new County Clinics CEO.

Adjournment

At 10:14 a.m., County Administrator Wilverding adjourned the meeting to October 18, 2023 at 8:30 a.m.

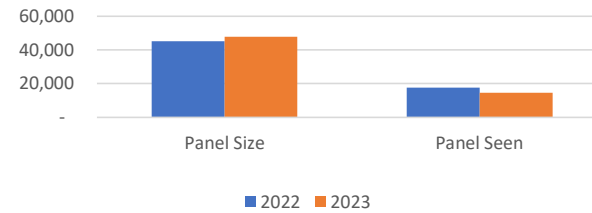
SAN JOAQUIN HEALTH CENTERS CFO PRESENTATION

Kris Zuniga
Chief Financial Officer
Presentation Date: 10/18/2023

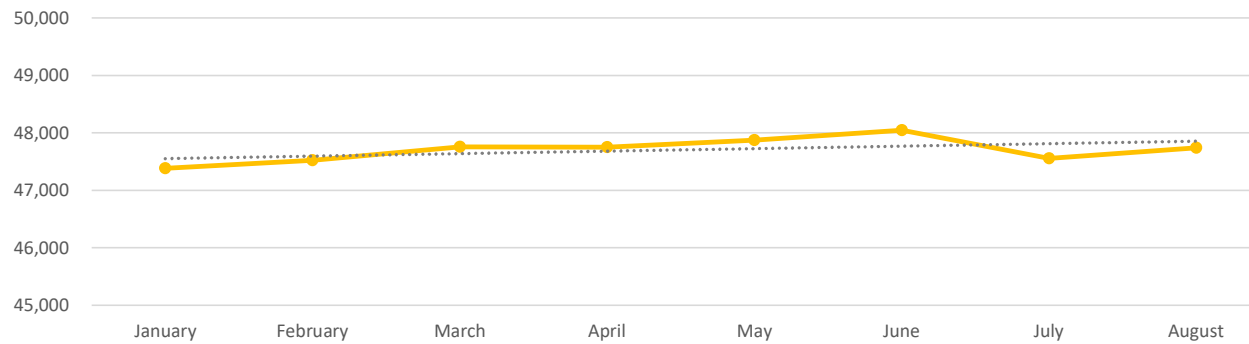
Health Plan of San Joaquin Membership Assignments Calendar YTD As Of August 2023

Average Panel Size	47,739
Current Month Panel Size	48,022
Calendar YTD Panel Seen Count	14,467
PCP Claim Count	40,795

Year	Panel Size	Panel Seen
2022	45,053	17,535
2023	47,739	14,467

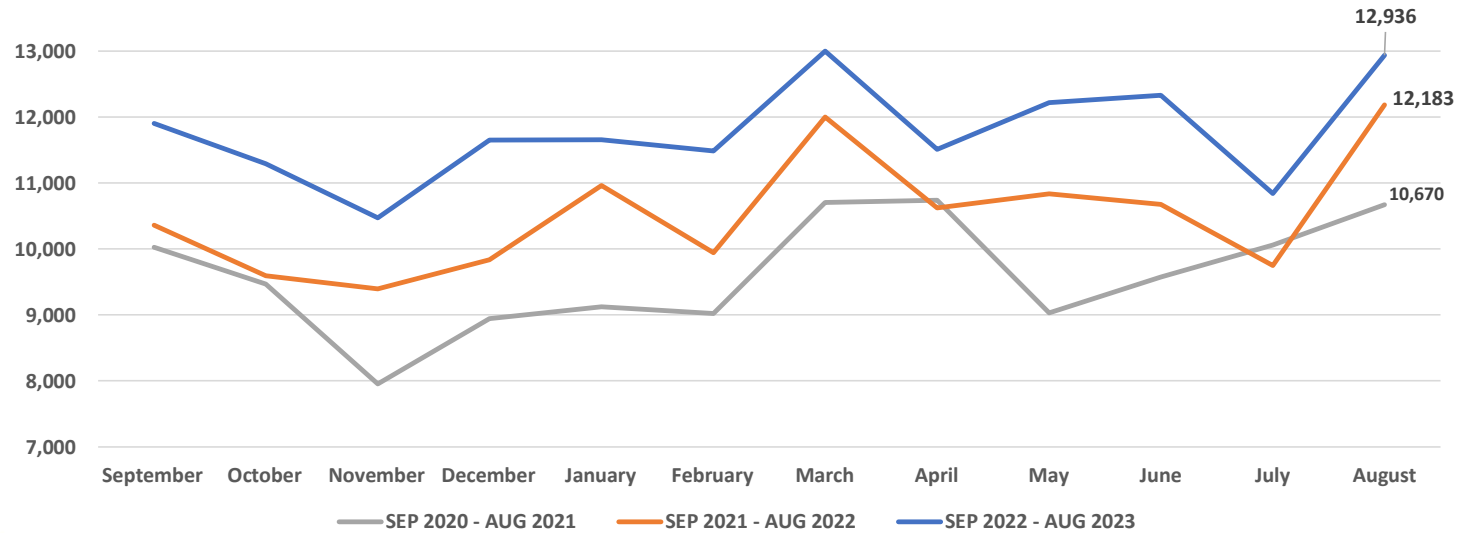


PCP Assignments by Month



AUGUST 2023 BILLABLE VISITS – 12,936

36-MONTH BILLABLE VISIT TRENDS (BY DOS)



Visits By Financial Class	%
Medi-Cal Managed Care	75.64%
Medicare	11.65%
Medi-Cal	9.50%
Commercial	2.05%
Self-Pay	1.15%
Total	100.00%

FY24 Month	Actual	Budget	Variance
Jul-23	10,838	11,241	(403)
Aug-23	12,936	12,970	(34)
Total	23,774	24,211	(437)

SJ HEALTH INCOME STATEMENT – AUGUST 2023

	Current Period			Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original
	Current Period Actual	Current Period Budget - Original	Budget Variance - Original			
Operating Revenue						
Net Patient Service Revenue	2,042,633	2,120,335	(77,702)	3,749,112	3,989,487	(240,375)
Supplemental Revenue	988,329	988,329	(0)	1,976,658	1,976,658	(0)
Capitation Revenue	542,712	544,000	(1,288)	1,078,323	1,088,000	(9,677)
Grant Revenue	85,428	419,742	(334,314)	184,698	879,484	(694,786)
340B Pharmacy Program	88,591	142,156	(53,565)	183,198	284,313	(101,115)
MOU & Other Income	47,596	53,506	(5,910)	261,961	107,012	154,948
Total Operating Revenue	3,795,289	4,268,069	(472,779)	7,433,950	8,324,955	(891,004)
Expenditures						
Salaries & Wages	1,936,584	1,752,365	(184,219)	3,638,940	3,344,421	(294,519)
Employee Benefits	845,377	982,838	137,460	1,658,899	1,874,191	215,293
Professional Fees	504,500	442,970	(61,529)	949,299	886,130	(63,170)
Purchased Services	121,574	174,147	52,574	328,270	348,295	20,025
Supplies	125,754	163,010	37,256	243,209	326,020	82,811
Depreciation	61,457	58,112	(3,345)	123,051	116,224	(6,828)
Interest	2,723	20,140	17,418	5,494	40,280	34,786
Office Expense	8,246	7,651	(594)	13,184	15,302	2,118
Dues, Subscription & Fees	129,076	66,431	(62,645)	218,686	132,862	(85,824)
Repairs & Maintenance	57,281	53,520	(3,760)	114,562	107,041	(7,521)
Telephone & Internet	5,411	4,929	(482)	11,002	9,858	(1,144)
Travel & Training	24,048	12,147	(11,901)	28,697	24,294	(4,403)
Insurance	8,934	15,883	6,950	16,568	31,767	15,198
Utilities	110,045	114,232	4,187	219,061	228,464	9,404
Rent	103,049	103,981	932	199,563	207,962	8,399
Miscellaneous	53,389	124,634	71,245	108,868	249,268	140,399
Total Expenditures	4,097,447	4,096,991	(455)	7,877,355	7,942,378	65,024
Net Income(Loss)	(302,158)	171,077	(473,235)	(443,404)	382,576	(825,981)

SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS AUGUST 2023

(ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

<u>Income Statement Grouping</u>	<u>Current Period Actual</u>	<u>Current Period Budget -</u>	<u>Current Period Budget</u>	<u>August 2023 - VARIANCE EXPLANATIONS</u>
Grant Revenue	85,428	419,742	(334,314)	Unfavorable variance as a result of underperforming grant activity in the month of August mainly related to HHIP, ECM, Practice and ARPA.
340B Pharmacy Program	88,591	142,156	(53,565)	Unfavorable variance mostly due to Walgreens 340B data transmission issues (expected to be resolved in September), and delays in CVS 340B implementation, budgeted increase in revenue, but not yet realized.
MOU & Other Income	47,596	53,506	(5,910)	Unfavorable variance mainly due to budgeted interest income recognized as revenue when received.
Employee Benefits	845,377	982,838	137,460	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 August 2023, is 45%
Professional Fees	504,500	442,970	(61,529)	Unfavorable variance due to late invoices received from various vendors.
Purchased Services	121,574	174,147	52,574	Favorable variance due to actual invoices being lower than accrual reversal from prior month.
Supplies	125,754	163,010	37,256	Favorable variance based on the actual supplies expensed incurred.
Interest	2,723	20,140	17,418	Favorable due to the payoff of FY20 & FY21 liabilities Due To DHCS in July. Hence, no interest expense incurred in August.
Dues, Subscriptions & Fees	129,076	66,431	(62,645)	Unfavorable variance mostly due to early termination fees from Cipherhealth, and higher than budgeted 340B TPA fees in the month of August.

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

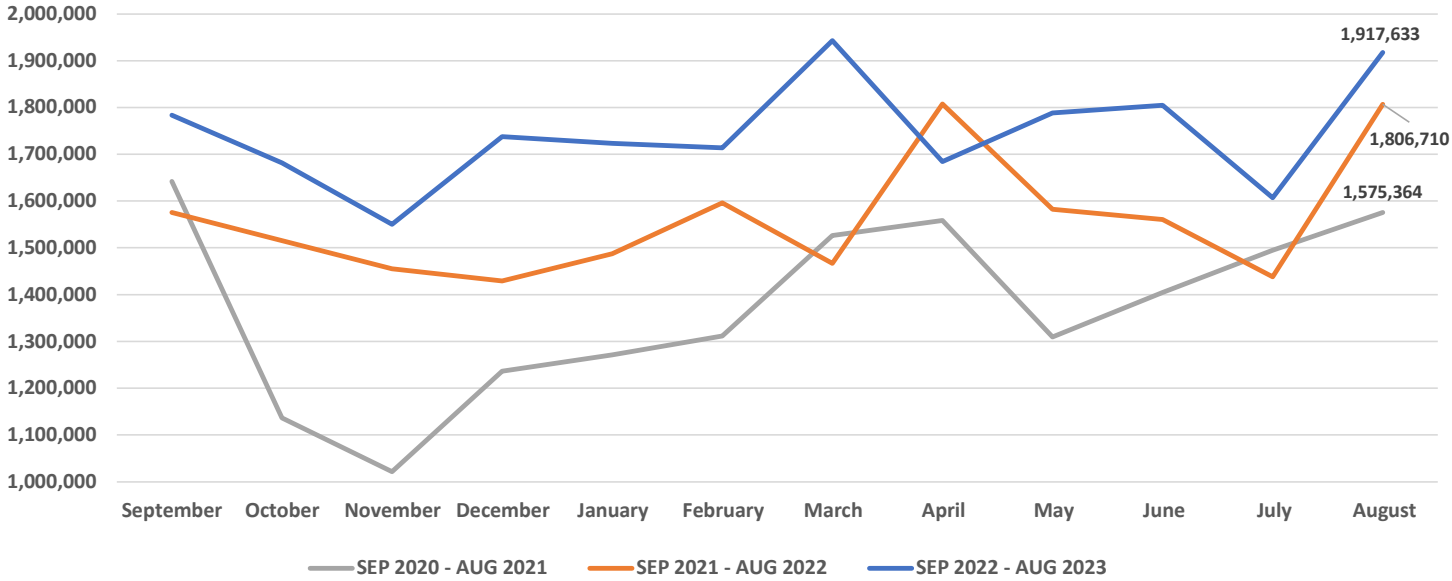
Income Statement Grouping	Current Period	Current Period	Current Period	FY2024 YTD - VARIANCE EXPLANATIONS
	Actual	Budget -	Budget	
Grant Revenue	184,698	879,484	(694,786)	Unfavorable variance due to underperforming grants.
340B Pharmacy Program	183,198	284,313	(101,115)	Unfavorable variance mostly due to Walgreens 340B data transmission issues (expected to be resolved in September), and delays in CVS 340B implementation, budgeted increase in revenue, but not yet realized.
MOU & Other Income	261,961	107,012	154,948	Favorable variance due to quarterly interest income received and recognized in prior month.
Employee Benefits	1,658,899	1,874,191	215,293	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 August 2023, is 45%
Supplies	243,209	326,020	82,811	Favorable variance based on the actual supplies expensed incurred.
Interest	5,494	40,280	34,786	Favorable due to the payoff of FY20 & FY21 liabilities Due To DHCS in July. Hence, no interest expense incurred in August.
Dues, Subscriptions & Fees	218,686	132,862	(85,824)	Unfavorable variance mostly due to early termination fees from Cipherhealth, 340B TPA fees and IT network premiums trending slightly higher than budget.

SJ HEALTH BALANCE SHEET- AUGUST 2023

	<u>PERIOD 0</u>	<u>JULY 2023</u>	<u>AUGUST 2023</u>
Assets			
Cash & Cash Equivalents	20,741,285	20,999,154	20,937,104
Accounts Receivable	2,230,779	1,765,243	2,092,637
Property & Equipment	3,266,036	3,207,557	3,115,116
Other Assets	<u>9,897,975</u>	<u>10,716,041</u>	<u>10,985,273</u>
Total Assets	<u>36,136,075</u>	<u>36,687,996</u>	<u>37,130,130</u>
Liabilities			
Accounts Payable	691,881	769,719	506,417
Other Liabilities	5,388,395	5,967,240	6,284,325
Deferred Revenue	<u>3,050,528</u>	<u>3,087,012</u>	<u>3,777,521</u>
Total Liabilities	<u>9,130,803</u>	<u>9,823,971</u>	<u>10,568,263</u>
Net Assets			
Beginning Net Assets	21,276,322	27,005,272	27,005,272
Current YTD Net Income	<u>5,728,949</u>	<u>(141,247)</u>	<u>(443,404)</u>
Total Net Assets	<u>27,005,272</u>	<u>26,864,025</u>	<u>26,561,867</u>
Total Liabilities and Net Assets	<u>36,136,075</u>	<u>36,687,996</u>	<u>37,130,130</u>

EMMI PAYMENTS POSTED

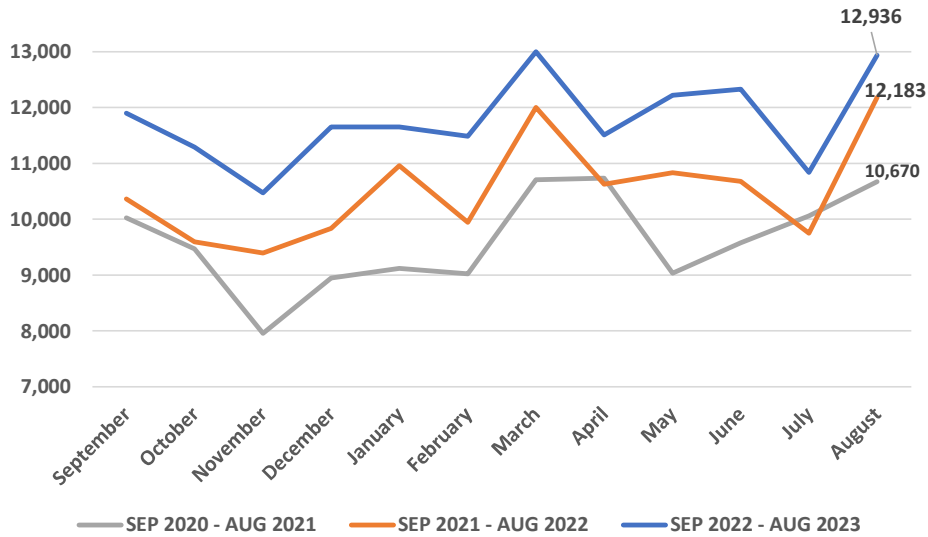
36-MONTH TRENDS - CASH COLLECTED



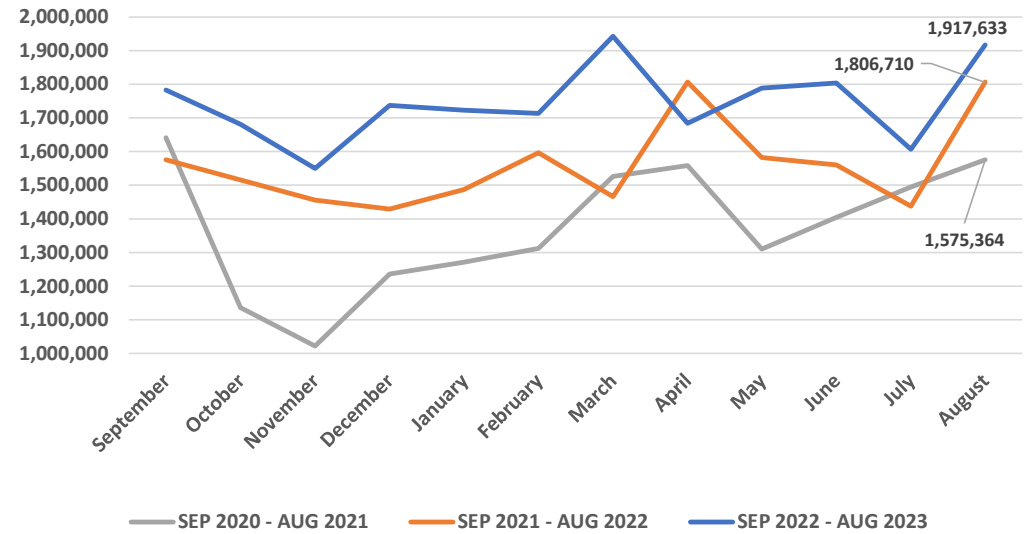
FY24 Collections by Financial Class	%
Medi-Cal Managed Care	82.25%
Medi-Cal	12.94%
Medicare	3.69%
Self-Pay	0.56%
Commercial	0.56%
Total	100.00%

NOTE: COLLECTIONS FOR MAY TO JULY 2023 HAVE BEEN ESTIMATED BASED ON AVERAGE COLLECTIONS PER DAY

36-MONTH BILLABLE VISIT TRENDS (BY DOS)



36-MONTH TRENDS - CASH COLLECTED

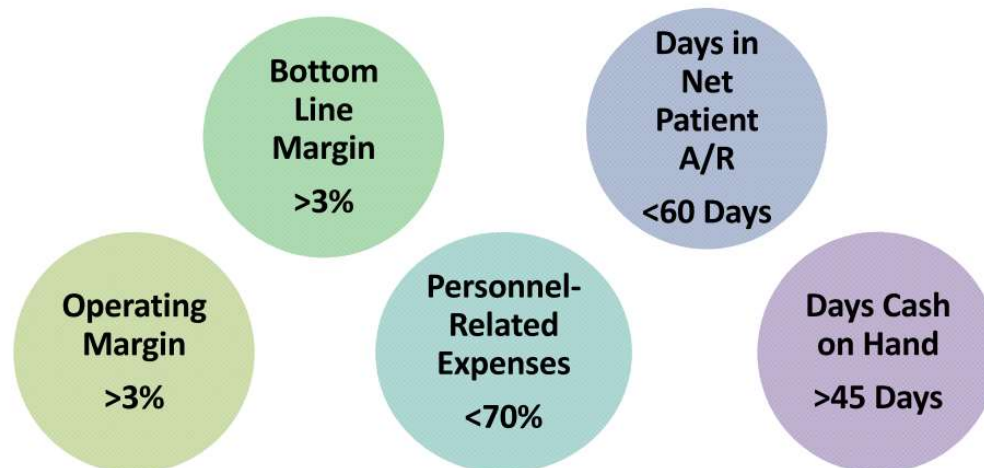


NOTE: COLLECTIONS FROM MAY TO JULY 2023 HAVE BEEN ESTIMATED BASED ON AVERAGE COLLECTIONS PER DAY

SJ Health HRSA Financial Metrics

Financial Metric	FY2021	FY2022	FY2023	FY2024
Cummulative Cost Per Unique Patient	1,098	1,315	1,409	572
Medical Cost per Medical Visit	274	309	334	331

Key Financial Metrics: Capital Link Industry Guidelines



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CAPITAL LINK FQHC FINANCIAL BENCHMARKS VS SJ HEALTH

DATA SUMMARY	CAPITAL LINK TARGET	2021 NATIONAL MEDIAN	2021 CALIFORNIA MEDIAN	SJ HEALTH FYTD FY23 (UNAUDITED)	SJ HEALTH FYTD FY24
FINANCIAL HEALTH					
1 Operating Margin As a % of Operating Revenue	>3%	10%	11%	10%	-6%
2 Bottom Line Margin As a % of Operating Revenue	>3%	13%	15%	11%	-6%
3 Days Cash on Hand	>45 Days	116	143	165	167
4 Days in Net Patient Receivables	<60 Days	38	39	37	34
5 Personnel-Related Expense (PRE) As a % of Operating Revenue	<70	66%	67%	67%	88%

QUESTIONS & ANSWERS



San Joaquin General Hospital

FY 2023-2024 Financial Results August YTD (2 months)



**SAN JOAQUIN
GENERAL
HOSPITAL**

- **YTD Net Income/(Loss)*: (\$1.2M)** was **unfavorable to budget by \$232K**. We had slightly lower financial results than anticipated through the first 2 months of our new fiscal year driven by higher than projected expenses
- **YTD EBIDA Margin/(Loss)*: \$73K** was **favorable to budget by \$275K** with an EBIDA Margin of 0.5%. Depreciation expense higher than projected due to timing of placing new capital items in service
 - **Volume:** Adjusted Patient Days** exceeded budget by 0.6% which drove the positive gross revenues variance of 2.7%
 - ❖ Inpatient: Patient days (3.2%) **unfavorable to budget while** deliveries (13.1%) **exceeded budget** and prior year. Case Mix Index (CMI) **above budget** and prior year (Medicare CMI → 2.01 actual Vs. 1.89 last year). Trauma cases **below budget slightly** by 1.0%
 - ❖ Ambulatory Services: Surgeries **favorable to budget** by 8.5% and **Clinic Visits positive to target by 2.6%**. Emergency services (10.7%) **below budget** to start the new fiscal year
 - ❖ Average Length of Stay: **Better than budget** through the first two months (5.1)
 - **Operating Revenue: \$1.5M** or **1.9% Favorable to Budget**
 - ❖ Net patient revenue was favorable to target driven by strong outpatient surgical volumes and deliveries
 - ❖ Supplemental payments **unfavorable to budget** due to impact of quality metrics
 - **Expenses: (\$1.5M)** or **1.9% Unfavorable to Budget**
 - ❖ Total Cost per CMI Discharge was **1.0% below target** due to more complex cases and favorable purchased services
 - ❖ Salaries & benefits **favorable to budget by 1.7%** due to high number of vacant positions
 - ❖ Travelers (contract labor) **over target** but below prior year level

* EBIDA: Earnings before Interest, Depreciation & Amortization

** Inpatient days plus outpatient equivalent days

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

in \$000's

	Current Month				Year To Date			
	FY 2023-24 Actual	FY 2023-24 Budget	\$ Var	% Var	FY 2023-24 Actual	FY 2023-24 Budget	\$ Var	% Var
Operating Revenue	\$ 42,402,478	\$39,334,515	\$ 3,067,963	7.8%	\$ 81,911,751	\$80,371,416	\$ 1,540,335	1.9%
Operating Expenses	43,833,297	40,506,570	(3,326,727)	-8.2%	84,245,901	82,701,132	(1,544,769)	-1.9%
Operating Margin (Loss)	\$ (1,430,819)	\$ (1,172,055)	\$ (258,764)	-22.1%	\$ (2,334,150)	\$ (2,329,716)	\$ (4,434)	-0.2%
Non-Operating (Transfers)	\$ 931,871	\$ 668,737	\$ 263,134	39.3%	\$ 1,110,041	\$ 1,337,474	\$ (227,433)	-17.0%
Net Income (Loss)	\$ (498,948)	\$ (503,318)	\$ 4,370	0.9%	\$ (1,224,109)	\$ (992,242)	\$ (231,867)	-23.4%
EBIDA Margin *	\$ (230,572)	\$ (108,398)	\$ (122,174)	-112.7%	\$ 73,425	\$ (202,402)	\$ 275,827	136.3%
EBIDA Margin %	-0.5%	-0.3%			0.1%	-0.3%		

* EBIDA: Earnings before Interest, Depreciation & Amortization



Statement of Net Income

YTD Ended 8/31/2023

	Actuals	Budget	\$ Variance Fav (Unf)	% Var Fav (Unf)
<i>Revenue</i>				
Gross Patient Revenue	\$ 395,030,886	\$ 384,527,303	\$ 10,503,583	2.7%
Deductions from Revenue	336,639,654	327,688,651	8,951,003	2.7%
Net Patient Revenue	58,391,232	56,838,652	1,552,580	2.7%
Additional Funding (Supplemental)	18,979,950	19,657,175	(677,225)	(3.4%)
Other Revenue	4,540,569	3,875,589	664,980	17.2%
Total Operating Revenue	81,911,751	80,371,416	1,540,335	1.9%
<i>Operating Expenses</i>				
Salaries and Benefits	48,896,368	49,749,319	852,951	1.7%
Professional Fees	12,846,368	9,733,621	(3,112,747)	(32.0%)
Supplies	10,888,767	10,587,102	(301,665)	(2.8%)
Purchased Services	5,025,584	6,753,270	1,727,686	25.6%
Utilities	1,413,918	881,801	(532,117)	(60.3%)
Insurance	1,510,226	1,542,766	32,540	2.1%
Interest	3,036	-	(3,036)	0.0%
Depreciation and Amortization	2,407,575	2,127,314	(280,261)	(13.2%)
Other	1,254,059	1,325,939	71,880	5.4%
Total Operating Expenses	84,245,901	82,701,132	(1,544,769)	(1.9%)
Operating Margin (Loss)	\$ (2,334,150)	\$ (2,329,716)	\$ (4,434)	(0.2%)
Transfers	1,110,041	1,337,474	(227,433)	(17.0%)
Net Income (Loss)	\$ (1,224,109)	\$ (992,242)	\$ (231,867)	(23.4%)
EBIDA Margin *	\$ 73,425	\$ (202,402)	\$ 275,827	136.3%

YTD operating margin and net income slightly lower than target through the first 2 months of the fiscal year driven by higher than anticipated expenses

* EBIDA: Earnings before Interest, Depreciation & Amortization



Statement of Net Position (Balance Sheet)



Accounts Receivable \$6.6M * Capital Purchases \$1.0M * Due from Funding Agencies \$7.0M



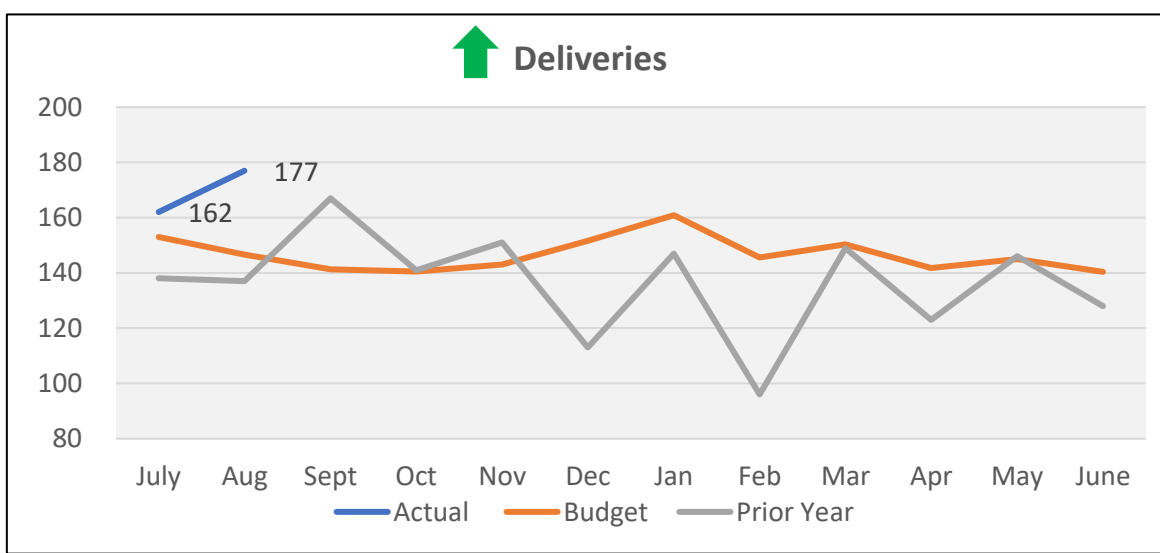
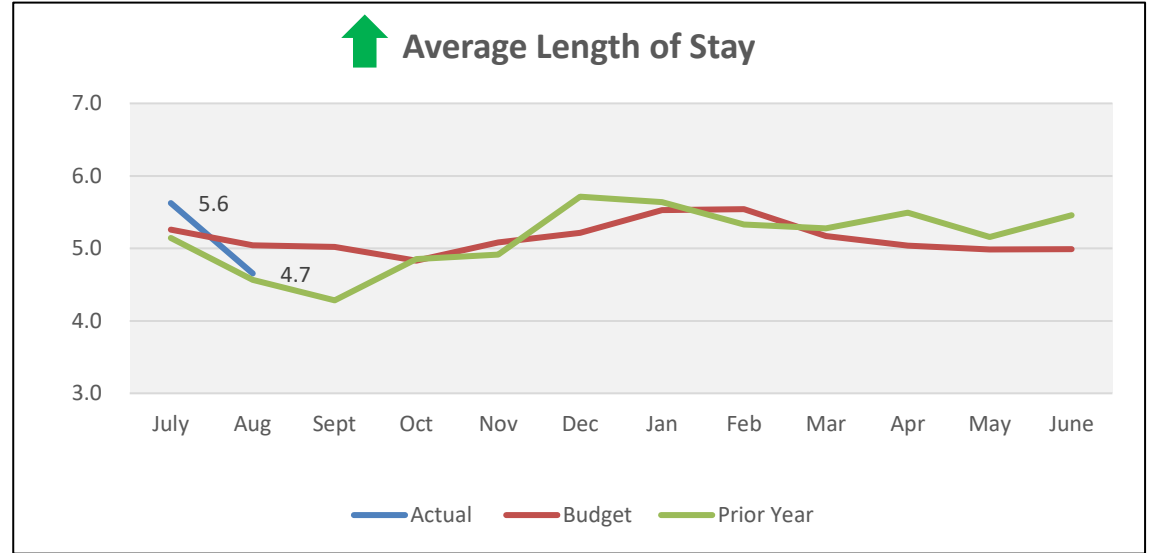
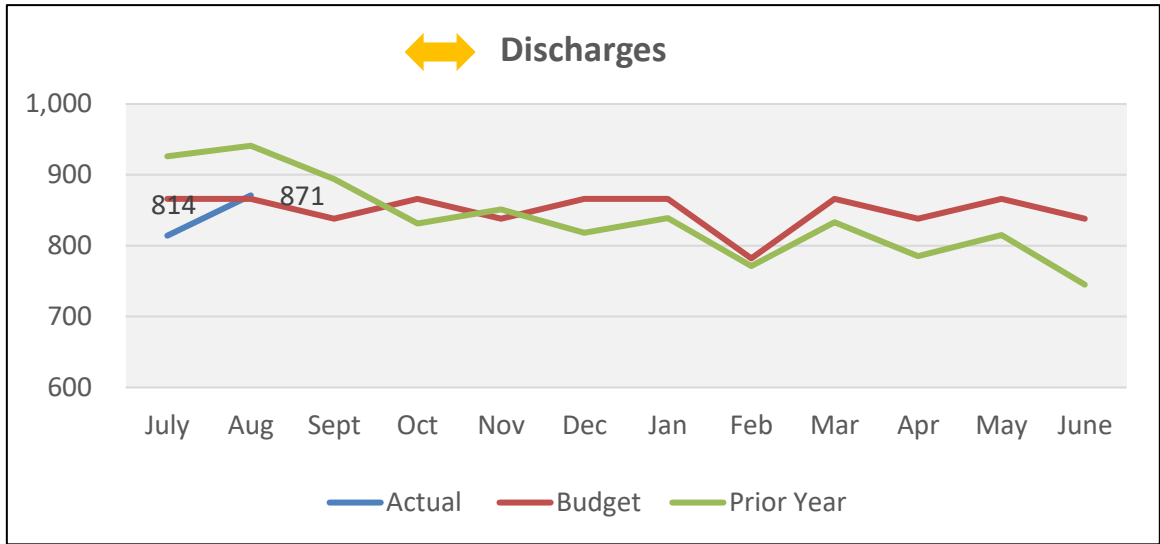
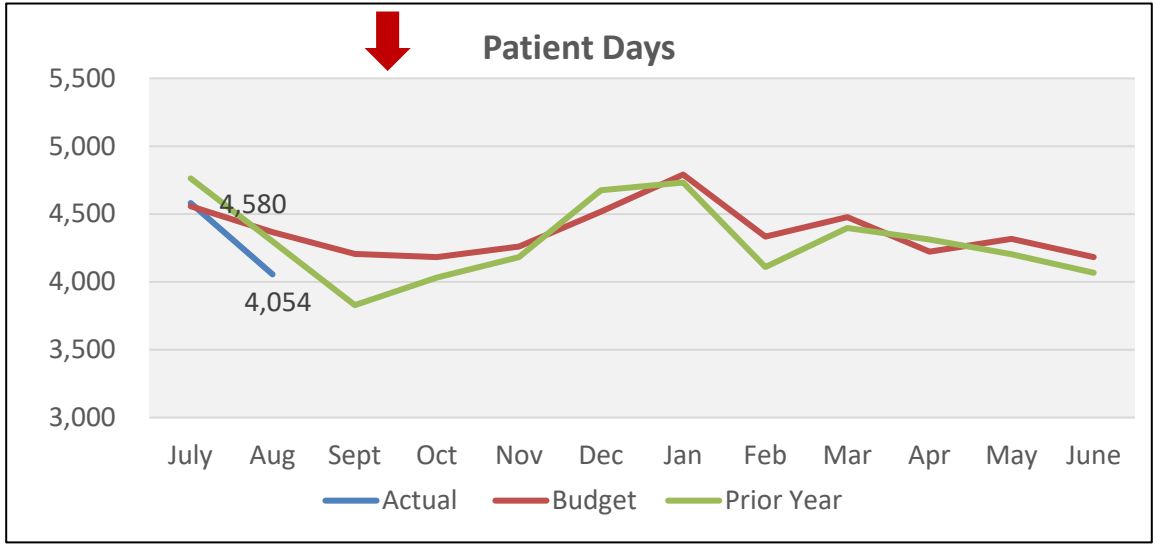
Accounts Payable & Accrued Expenses \$1.2M

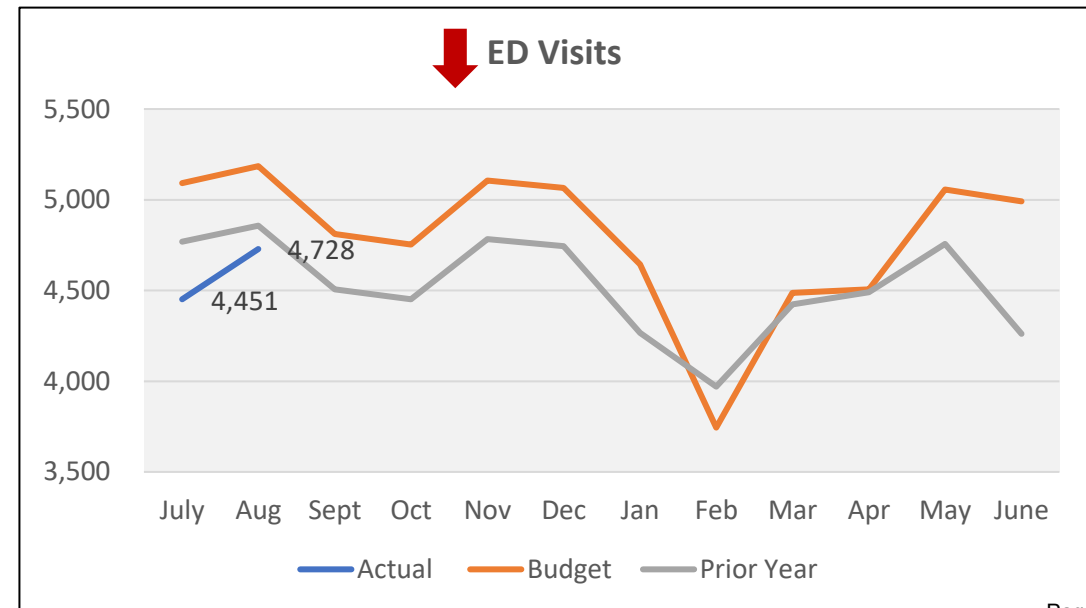
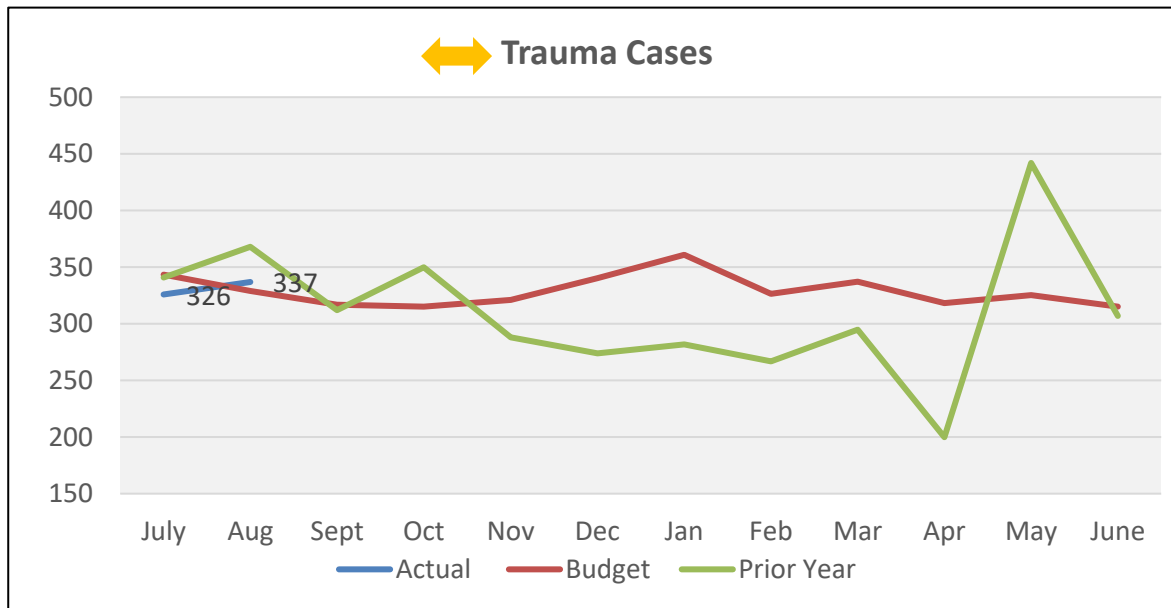
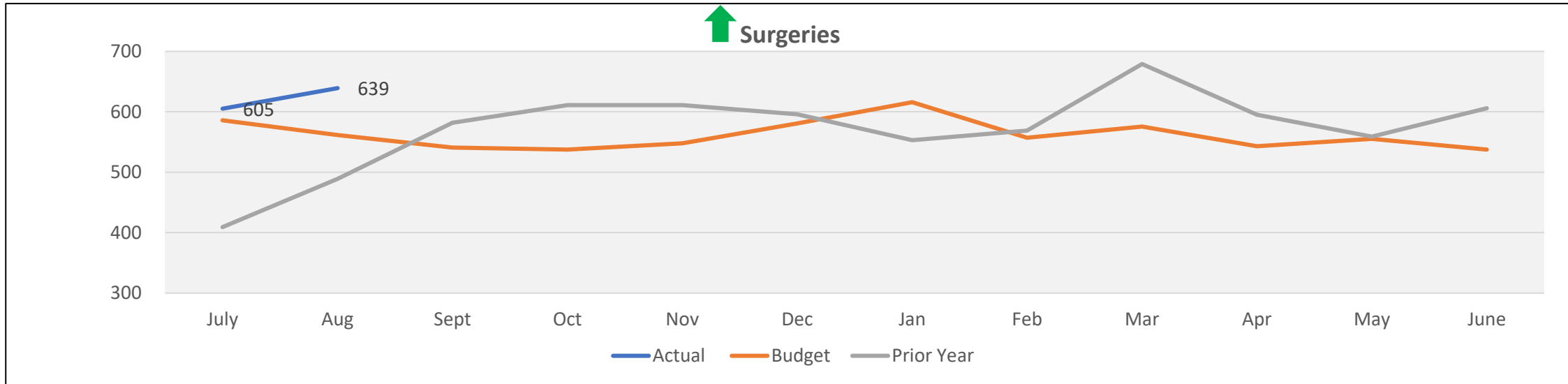
	Current Year	Prior Year	\$ Chg	% Var
CURRENT ASSETS				
Cash and Cash Equivalents	91,042,024	102,042,107	(11,000,083)	-10.8%
Accounts Receivable, Hospital-Net	98,938,726	91,587,797	7,350,929	8.0%
Due from Additional Funding Agencies	164,048,746	153,614,360	10,434,386	6.8%
Other Current Assets	5,906,218	5,980,668	(74,450)	-1.2%
Other Non-Current Assets	56,675,876	56,675,876	-	0.0%
	-	-	-	
Total Current Assets	416,611,590	409,900,808	6,710,782	1.6%
PROPERTY, PLANT AND EQUIPMENT				
Total Property, Plant & Equipment	240,630,108	239,695,119	934,989	0.4%
Accumulated Depreciation & Amortization	(139,530,569)	(137,122,994)	(2,407,575)	1.8%
Property, Plant & Equipment, Net	101,099,539	102,572,125	(1,472,586)	-1.4%
RESTRICTED ASSETS				
	6,051,801	6,043,465	8,336	0.1%
TOTAL CURRENT ASSETS	523,762,930	518,516,398	5,246,532	1.0%

	Current Year	Prior Year	\$ Chg	% Var
CURRENT LIABILITIES				
Accrued Liabilities	52,038,034	53,295,732	(1,257,698)	-2.4%
Current Maturities of Long-Term Debt	-	-	-	
Due to Other County Departments	6,621,132	2,236,363	4,384,769	196.1%
Due to Third Party	42,895,852	41,481,226	1,414,626	3.4%
Deferred Revenue-Grants	8,115,193	6,098,399	2,016,794	33.1%
Deferred Inflow of Resources	1,058,087	1,154,277	(96,190)	-8.3%
Total Current Liabilities	110,728,298	104,265,997	6,462,301	6.2%
LONG TERM DEBT				
Other Post Employment Benefits	344,266,428	344,266,428	-	0.0%
	-	-	-	0.0%
Total Long-Term Debt	344,266,428	344,266,428	-	0.0%
TOTAL LIABILITIES	454,994,726	448,532,425	6,462,301	1.4%
NET ASSETS	68,768,204	69,983,974	(1,215,770)	-1.7%
TOTAL LIABILITIES AND NET ASSETS	523,762,930	518,516,399	5,246,531	1.0%

Volume / Utilization Indicator	Month Aug, 2023	Budget Aug, 2023	% Budget Variance	Trend	Actual YTD FY 23-24	Budget YTD FY 23-24	% Budget Variance	Trend
Admission	848	801	5.8%	Green	1,678	1,618	3.7%	Green
Discharges	871	866	0.6%	Green	1,685	1,732	-2.7%	Yellow
Total Patient Days	4,054	4,367	-7.2%	Red	8,634	8,923	-3.2%	Yellow
Adjusted Patient Days	7,005	7,071	-0.9%	Yellow	14,655	14,570	0.6%	Green
Average Length of Stay (ALOS)	4.7	5.0	0.1	Green	5.1	5.2	0.0	Green
Average Daily Census (ADC)	131	141	-7.2%	Red	139	144	-3.2%	Yellow
Clinic Visits	6,053	4,890	23.8%	Green	10,249	9,991	2.6%	Green
Emergency Visits	4,728	5,185	-8.8%	Red	9,179	10,277	-10.7%	Red
Trauma Cases	348	329	5.7%	Green	666	673	-1.0%	Yellow
Surgeries	639	561	13.8%	Green	1,244	1,147	8.5%	Green
Deliveries	176	147	20.0%	Green	339	300	13.1%	Green
CMI - Hospital	1.56	1.57	-0.6%	Yellow	1.59	1.57	1.3%	Green
CMI - Medicare	1.90	1.95	-2.6%	Yellow	2.01	1.95	3.1%	Green
Total FTEs (including Contractors)	1,778	1,801	1.3%	Green	1,789	1,790	0.0%	Green
Total Contractor FTEs	156	57	-175.7%	Red	154	57	-172.2%	Red

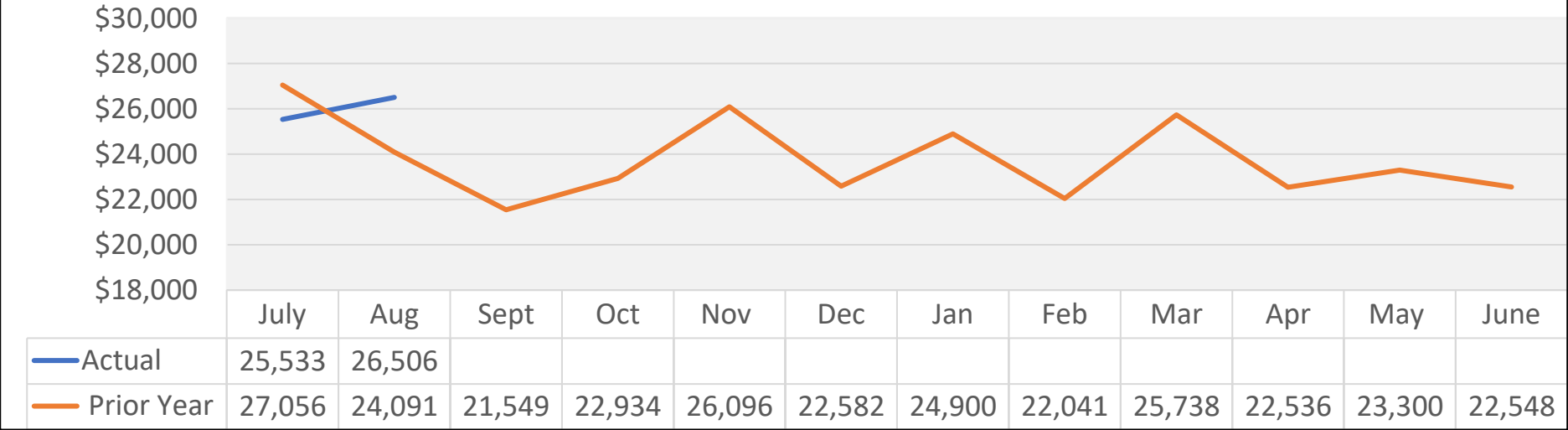
Financial Indicator (Millions)	Month Aug, 2023	Budget Aug, 2023	% Budget Variance	Trend	Actual YTD FY 23-24	Budget YTD FY 23-24	% Budget Variance	Trend
Total Patient Revenue	196.8	188.2	4.6%	Green	395.0	384.5	2.6%	Green
Total Net Patient Revenue	30.3	27.8	9.1%	Green	58.4	56.8	2.8%	Green
Additional Funding	9.8	9.6	1.8%	Green	19.0	19.6	-3.1%	Yellow
Total Operating Revenue	42.4	39.3	7.9%	Green	81.9	80.3	2.0%	Green
Salaries & Benefits	25.8	24.3	-6.1%	Red	48.9	49.7	1.6%	Green
Prof Svcs incl Contract Labor	6.6	4.8	-37.5%	Red	12.8	9.7	-32.0%	Red
Supplies	5.5	5.2	-6.5%	Red	10.9	10.6	-2.8%	Yellow
Total Expenses	43.8	40.5	-8.2%	Red	84.2	82.7	-1.8%	Yellow
Operating Income (Loss)	(1.4)	(1.2)	-19.2%	Red	(2.3)	(2.3)	0.0%	Green
Net Realignment & Cnty Contributor	0.9	0.6	55.3%	Green	1.1	1.3	-15.4%	Red
Net Income (Loss)	(0.5)	(0.5)	0.0%	Green	(1.2)	(1.0)	-23.2%	Red
Operating Income %	-1.2%	-1.3%	0.1%	Green	-1.5%	-1.2%	-21.5%	Red
EBIDA Margin	(0.2)	(0.1)	-112.7%	Red	0.1	(0.2)	63.9%	Green
EBIDA %	-0.5%	-0.3%	-0.3%	Yellow	0.1%	-0.3%	0.3%	Green





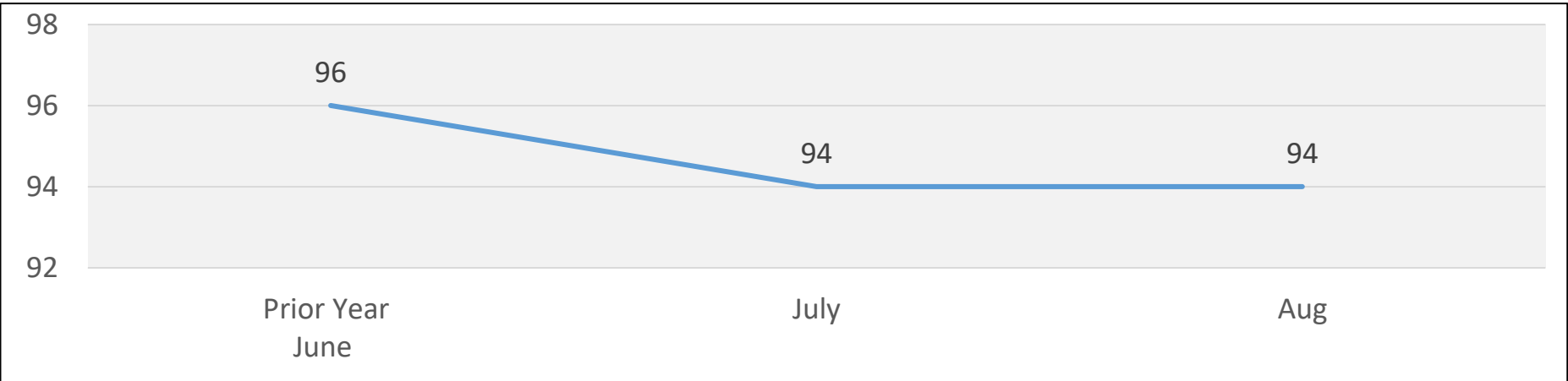
Cash Collections and Accounts Receivable Days

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

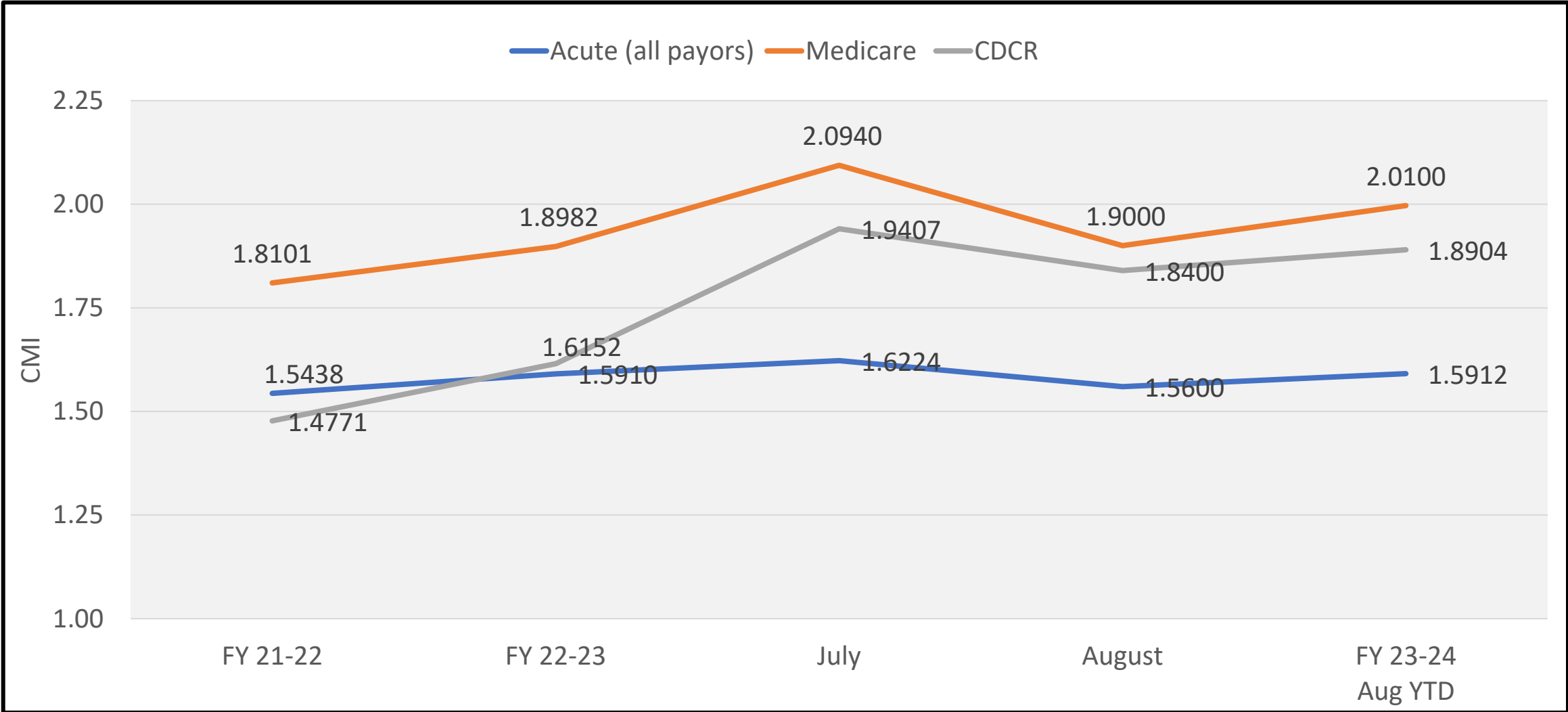


Cash collections have picked-up roughly 2% year over year through the first two months. We expect continued progress in both collections and AR days driven by ongoing Revenue Cycle initiatives

Accounts Receivable Days

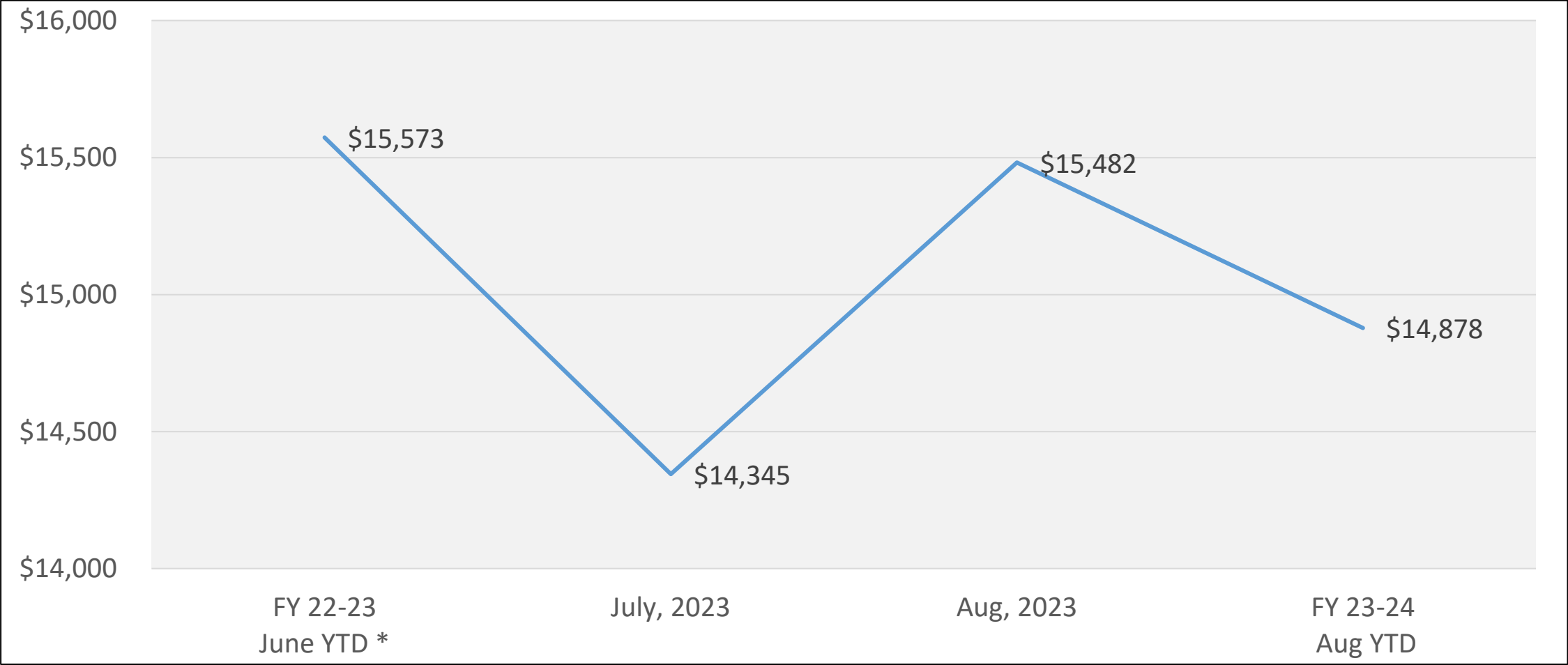


Acuity level (CMI) of our patients has picked-up due to improved coding accuracy



Cost per CMI Adjusted Discharge

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



* FY 2022-2023 unaudited

Appendix

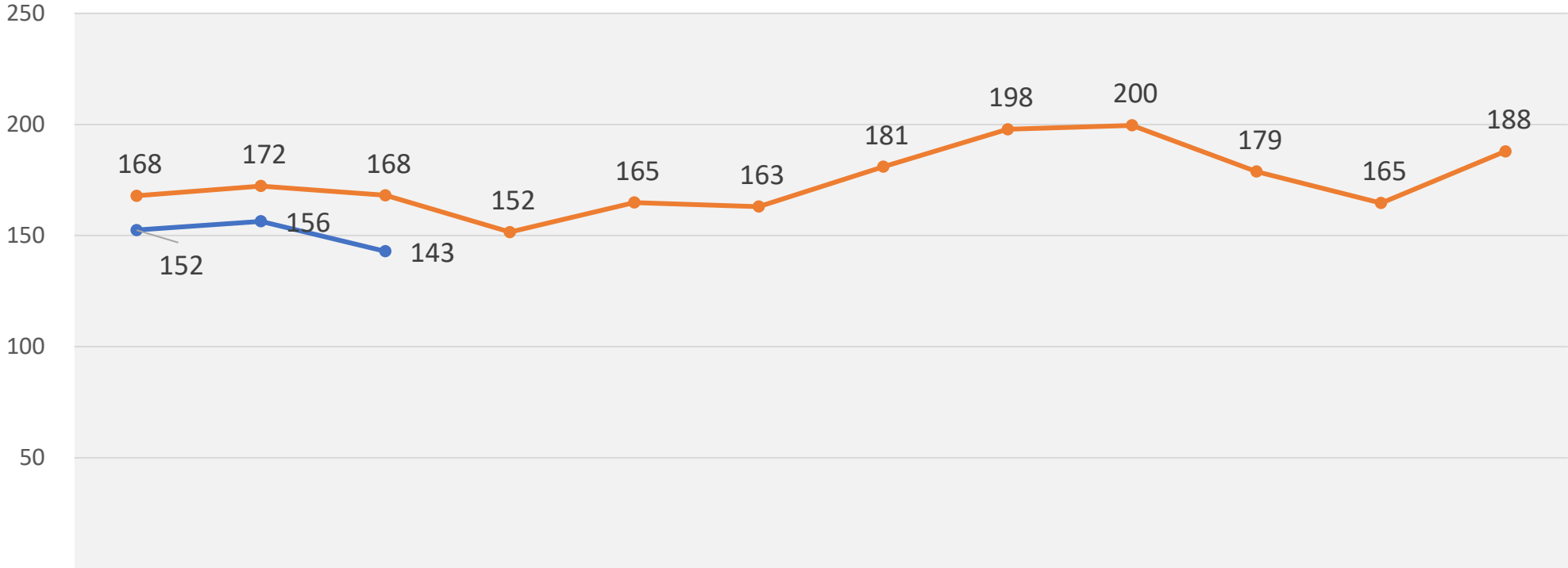


Contract Labor

We have an opportunity to rationalize our contract labor (travel nurses). We've started the new year lower than prior year, but considerably above target

Top 10 depts make up 80% of contractors

Contract Labor FTEs



Cost Center Description	FTEs
EMERGENCY ROOM	37.5
MED SURG 3B	18.0
SURGERY SERVICES	12.7
PROGRESSIVE CARE UNIT	11.9
RESPIRATORY THERAPY	10.0
INTENSIVE CARE UNIT	8.0
DIETARY	7.8
MEDICAL SURGICAL	6.5
HOUSEKEEPING	6.5
RADIOLOGY	5.4

	July	August	September	October	November	December	January	February	March	April	May	June
Actual	152	156	143									188
Prior Year	168	172	168	152	165	163	181	198	200	179	165	188



Gross Accounts Receivable Aged Trial Balance

Gross AR Aging Summary	Unbilled	Current	31-60	61-90	91-120	121-150	151-180	181-270	> 270	Total
CDCR	1,779,732	20,511,596	11,979,104	3,738,762	1,264,696	1,582,564	723,003	1,102,596	270,798	42,952,851
Commercial Insurance	6,196,027	15,063,548	11,197,161	13,443,075	8,518,682	5,698,973	5,499,173	10,355,533	32,354,576	108,326,747
Medi-Cal	7,490,630	32,603,587	11,315,980	3,601,129	1,826,343	1,624,705	1,972,757	3,717,468	10,466,584	74,619,183
Medi-Cal HMO	9,785,925	56,400,886	47,618,508	37,652,008	13,865,296	9,201,900	6,246,904	8,980,479	14,280,259	204,032,163
Medicare	8,084,260	28,455,443	16,385,811	7,535,071	6,321,304	5,429,435	4,958,455	12,356,735	7,999,055	97,525,569
Other Government	87,536	4,459,885	1,207,709	396,856	348,773	1,119,921	81,295	252,105	376,926	8,331,005
Self Pay	91,384	3,965,251	3,659,022	1,957,623	2,074,853	4,233,343	2,942,495	4,182,234	4,721,908	27,828,113
Total	33,515,494	161,460,195	103,363,295	68,324,523	34,219,948	28,890,840	22,424,082	40,947,149	70,470,105	563,615,632

Revenue Enhancement

Financial Impact	Description
\$3M to \$5M	Annual Strategic Pricing (July 2023)
\$7M to \$9M	Revenue lift due to improved CMI (coding)
\$6M to \$8M	Increased collections (contracted small balance accounts)
\$3M to \$5M	Enhanced collections on self pay
\$2M to \$3M	Improved rates from SJ Health Plan (Jan 2024)
\$2M to \$3M	Collections on underpayment recoveries (Sept 2023)
\$2M to \$4M	Charge capture opportunities
\$2M to \$4M	Revenue lift connected with denials management
\$20M to \$25M	Cerner Revenue Cycle Optimization launched May 2023
\$2M to \$4M	3M Computer Assisted Coding tool (to start Feb 2024)
\$2M to \$4M	Trauma Criteria Billing

Implemented Savings

Financial Impact	Description
\$0.2M	Canceled Marketing contract
\$3.0M	Savings from the cancellation of Huron contract
\$3.0M	Supply savings from GPO
\$0.5M	Pharmacy savings
\$0.25M	No replacement of COO
\$17.0M	Reduction of traveler's hours / pay
\$0.2M	Cancellation of duplicative translation services
\$0.3M	Replacement of contract CFO
\$0.4M	Contracted CM director replaced with existing employee
\$2.5M	Laboratory savings and improved automation (Dec 2023)

Quality

People

Description
Leapfrog: 7-year leapfrog F will improve to at least a C (maybe a B) in the fall of 2023. Will continue improvement with expected A by end of next calendar year (2024).
Removed previous Director and replaced with very competent new quality director who has already made significant improvements
ALL hospital acquired infections have significantly decreased
Midas system put in place (97% complete) replacing manual system
Policies and mandatory education updated
Regulatory surveys on reportable events and patient grievances cleared w/o violation, fined late reporting eliminated
Culture of Safety survey completed with increased participation from 20% to 80%, Team Steps in progress for Leapfrog
Reduce incomplete patient records from over 15,000 to less than 200
OPPE Program now regulatory compliant

Description
Replaced contract CFO with permanent county CFO
Replaced ineffective quality director with permanent county employee (exceptional)
Removal of contracted case management, added responsibility to future nurse leader
Culture of safety survey response went from 10% to over 80%
Billboard campaign to change reputation and improve employee morale

MEMORANDUM OF UNDERSTANDING

Between
San Joaquin County (County)
And
San Joaquin County Clinics (SJCC)

The San Joaquin County Clinics Health Facility (SJCC), operated jointly by San Joaquin County Clinics, a California non-profit public benefit corporation, and the County of San Joaquin (County), a political subdivision of the state of California, enters into this Memorandum of Understanding (MOU) with the County of San Joaquin to specify the various elements of the relationship between the parties in the operation of the Health Facility.

1. SCOPE OF SERVICES

- a. County, either directly or via designated departments, shall provide all specified services to SJCC as set forth in Exhibit A, COUNTY SCOPE OF SERVICE AND FEES, attached hereto and incorporated herein. SJCC shall provide all specified services to County as set forth in Exhibit B, SJCC SCOPE OF SERVICE AND FEES. SJCC intends to develop infrastructure and personnel to cease use of certain County staff and services outlined in Exhibit A. Should this occur, SJCC will notice County one hundred eighty days in advance, in writing that the specific departmental services will no longer be needed unless a shorter notice period is agreed upon between the parties to terminate any provision of this MOU. County will cease charging SJCC for the departmental expenses at the date and time provided in such notice.

2. COMPENSATION

- a. County shall provide support services to SJCC at the established monthly rates as set forth in Exhibit A, COUNTY SCOPE OF SERVICE AND FEES, attached hereto and incorporated herein. SJCC shall provide support services to County at the established monthly rates as set forth in Exhibit B, SJCC SCOPE OF SERVICE AND FEES. The net monthly fees services will be paid, in arrears, by monthly invoice and cash transfer between the two departments.

3. TERM

- a. This MOU shall be in effect from July 1, 2020. It will remain in effect for sixty (60) months unless terminated earlier as set forth below in Section 4.

4. TERMINATION

- a. This MOU may be terminated by either party upon one hundred eighty (180) days written notice.
- b. This MOU shall terminate immediately upon termination of the Co-Applicant Agreement between County and the San Joaquin County Clinics public benefit corporation executed January 5, 2021.

- c. Upon termination of this MOU, SJCC will be responsible for payment of any remaining subscriptions acquired by County during the course of the MOU on behalf of SJCC. ISD shall not be responsible for further services in support of those subscriptions unless agreed upon mutually by the parties.
- d. Upon termination, cancellation, expiration or other conclusion of this Agreement, COUNTY and its Resources shall provide a copy of any SJCC data stored in accordance with the agreement to SJCC. This provision shall also apply to all data that is in the possession of subcontractors or agents of COUNTY. COUNTY and its Resources shall complete such return or destruction not less than thirty (30) calendar days after the conclusion or termination of this Agreement. Within this thirty (30) day period, COUNTY shall certify in writing to the SJCC that the return or destruction has been completed. Data migration shall be at the cost of SJCC. If SJCC ceases use of any County system access to SJCC agents, employees or consultants will be terminated.

5. RENEWAL

- a. This MOU shall be self-renewing for additional successive terms of five years unless either party provides written notice to terminate as set forth above in Section 4.
- b. The Parties to this MOU shall review this agreement annually on July 1.

6. RECONCILIATION

- a. The parties agree to reconcile services under this agreement and agree to make accounting adjustments as necessary at December 31 and June 30 of each fiscal year.

7. DISPUTE

- a. The Parties will attempt to resolve any dispute arising between the Health Facility and any San Joaquin County Department Head informally. If the parties are unable to reach resolution, the matter will be appealed per the dispute resolution process outlined in the Co-Applicant agreement between San Joaquin County and SJCC executed 01/05/2021.

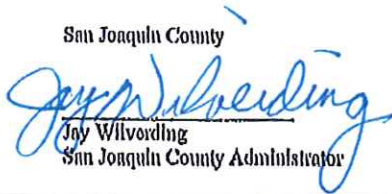
8. SEVERABILITY

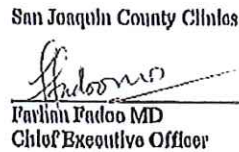
- a. If any term of the Agreement is found to be illegal, invalid or unenforceable under applicable law, such term shall be excluded to the extent of such illegality, invalidity or unenforceability; all other terms of this Agreement shall remain in full force and effect; and, to the extent permitted and possible, the illegal, invalid or unenforceable term shall be replaced by a term that is legal, valid and enforceable and that comes closest to expressing the intention of such illegal, invalid or unenforceable term.

9. ENTIRE AGREEMENT

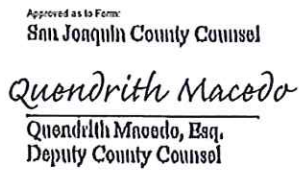
- a. This MOU, including any attachments, constitutes the entire agreement of the parties with respect to the matters addressed herein and supersedes all prior and contemporaneous representations, proposals, discussions, and communications, whether oral or in writing regarding said matters. In the event of any inconsistency between this

MOU and the Co-Applicant Agreement between County and the San Joaquin County Clinics public benefit corporation, the terms of the Co-Applicant Agreement shall control and supersede any provisions of this MOU. This MOU may be changed or modified only by written amendment executed by authorized representatives of both parties.

San Joaquin County

Jay Wilvording
San Joaquin County Administrator

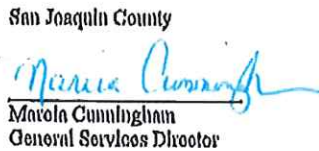
San Joaquin County Clinics

Paulina Padua MD
Chief Executive Officer

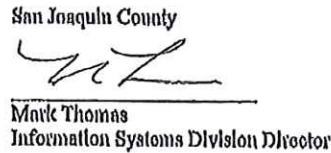
REVIEWED BY:

Approved as to Form
San Joaquin County Counsel

Quendrith Macedo, Esq.
Deputy County Counsel

San Joaquin County

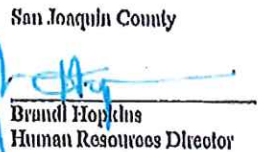
Jeffrey Wolfcamp
Assistant Auditor-Controller

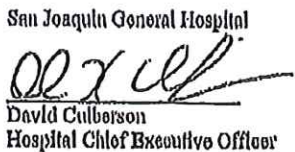
San Joaquin County

Marola Cunningham
General Services Director

San Joaquin County

Mark Thomas
Information Systems Division Director

San Joaquin County

Greg Diederich
Health Care Services Director

San Joaquin County

Brandi Hopkins
Human Resources Director

San Joaquin General Hospital

David Culbertson
Hospital Chief Executive Officer

San Joaquin General Hospital

Sheela Kapre MD
Chief Medical Officer

Attachment to MOU
Exhibit A – COUNTY SCOPE OF SERVICES AND FEES

Scope of Service	Fees
<p>County Support Departments & Services</p> <ul style="list-style-type: none"> • Retiree Medical • Radio Maintenance – Internal Service Fund (ISF) • Rent & Leases - Equip Radio ISF • Rents & Leases - Office Equip (Personal Computer Replacement Program) • Data Processing-Direct Charges • Workers Comp Insurance • Casualty Insurance • Malpractice Insurance • Purchasing and Support Services • Building Usage Allowance • Facilities Management (inclusive of real property management) • County Accounting and Personnel System (CAPS) • Information Systems Division (ISD) • Auditor-Controller • Treasurer-Tax Collector • County Administrator • County Counsel • Human Resources (HR) • Labor Relations • Department 4049800000 – SJCC labor and County distributed expenses 	<p>Costs are distributed to SJCC per the County’s allocation basis and allocation units. SJCC will reimburse the County for department 4049800000 expenses at cost. See exhibit E for real estate lease costs.</p>
<p>SJGH Medical Information Services/Business Informatics</p> <ul style="list-style-type: none"> • Health informatics and business intelligence services 	<p>40% of monthly expenses for SJGH department 8791.</p>
<p>SJGH Purchasing/Materials Management</p> <ul style="list-style-type: none"> • Receiving and warehousing of SJCC supplies • Distribution of San Joaquin General Hospital (SJGH) and SJCC inventory items to SJCC • Mail delivery and courier services to SJCC 	<p>25% of monthly labor expenses for SJGH department 8401.</p> <p>25% of non-labor expense excluding equipment</p>

	leases for SJGH department 8401.
SJGH Grounds <ul style="list-style-type: none"> • General grounds services and upkeep at SJCC 	30% of monthly expenses for SJGH department 8410.
SJGH BioMed <ul style="list-style-type: none"> • BioMed and hazardous waste services • Annual calibration of medical equipment, quality control new equipment for deployment, repair of broken equipment 	20% of monthly expenses for SJGH department 8490.
SJGH Security <ul style="list-style-type: none"> • General security services at 500 W Hospital Road, French Camp 	12% of monthly expenses for SJGH department 8420.
SJGH Environmental Services <ul style="list-style-type: none"> • Clean and maintain clinics and administrative offices at 500 W Hospital Road and 1414 N California Street • Ad hoc spills, cleaning services for rooms with exposures • Pest control services • Maintain biohazard waste 	15% of monthly expenses for SJGH department 8440.
SJGH Plant Operations <ul style="list-style-type: none"> • HVAC services • Lighting/electricity • Engineering and maintenance services 	20% of monthly expenses for SJGH department 8450.
SJGH Plant Maintenance <ul style="list-style-type: none"> • Clinic/facility maintenance and repair • Plumbing 	20% of monthly expenses for SJGH department 8460.
SJGH Human Resources <ul style="list-style-type: none"> • HR personnel grievances and conflict resolution • Liaison between SJCC and County HR • Provide guidance with civil service and union rules 	20% of monthly expenses for SJGH department 8650 excluding

<ul style="list-style-type: none"> • Manage SJCC Family Medical Leave Act (FMLA) and unemployment claims • Assist with position control 	<p>costs associated with management learning institute.</p>
<p>SJGH Compliance</p> <ul style="list-style-type: none"> • Patient complaints, grievances, and incident reporting services in accordance with Health Resources and Services Administration (HRSA) Compliance manual requirements • HIPAA compliance • Malpractice and risk management services 	<p>20% of monthly expenses for SJGH department 8750.</p>
<p>SJGH Credentialing</p> <ul style="list-style-type: none"> • Provider and payer credentialing services for Licensed Independent Practitioners • Conduct the medical staff credentialing and privileging process for new SJCC providers in accordance with current HRSA Compliance Manual requirements • Complete and submit credentialing application and verify education, medical board status, malpractice insurance, background checks, Drug Enforcement Administration (DEA) licensure, Cardiopulmonary Resuscitation and Basic Life Support training, and privileging <ul style="list-style-type: none"> ○ Provide copy to SJCC board of directors for approval ○ New provider privileging will occur within three (3) months of provider offer acceptance ○ Payer credentialing will be completed within six (6) months of provider offer acceptance • Conduct re-credentialing process for SJCC providers (2-year cycle) in accordance with HRSA Compliance Manual requirements <ul style="list-style-type: none"> ○ Send reappointment applications to provider six (6) months prior to reappointment date ○ Process reapplication according to HRSA and National Committee for Quality Assurance (NCQA) requirements ○ Hospital Credentialing Committee reviews application and submits to SJGH Medical Executive Committee (MEC) for approval ○ Provide copy to SJCC board of directors for approval ○ Hospital Credentialing Committee reviews application and submits to SJGH MEC for approval 	<p>15% of monthly expenses for SJGH department 8532.</p>
<p>SJGH Outpatient Pharmacy</p> <ul style="list-style-type: none"> • Outpatient pharmacy services 	<p>5% of monthly expenses for SJGH department 7711.</p>

<p>SJGH Clinical Lab</p> <ul style="list-style-type: none"> • Lab services for SJCC 	<p>5% of monthly expenses for SJGH department 7500.</p>
<p>SJGH Health Information Management:</p> <ul style="list-style-type: none"> • Medical records management including release of information, patient records, storage and retrieval, and death certificates • Respond to the data needs of physicians, administrators, patients, insurance companies, attorneys, and governmental agencies on behalf of SJCC • Maintain confidentiality of patient records in accordance with established legal requirements • Support SJCC providers with completion of unemployment and disability paperwork 	<p>5% of monthly expenses for SJGH department 8700.</p>
<p>SJGH Sterile Processing</p> <ul style="list-style-type: none"> • Collect/return and sterilize dirty instruments • Other general sterile processing services 	<p>5% of monthly expenses for SJGH department 8380.</p>
<p>Information Technology (IT)</p> <ul style="list-style-type: none"> • Full scope IT services from County ISD and SJGH IT teams including: <ul style="list-style-type: none"> ○ IT Security - Technical Controls ○ IT Security - Compliance & Admin Controls ○ Data Center Services ○ Network Communications ○ Telecommunications ○ Disaster Recovery ○ End User Devices ○ Business Applications ○ Help Desk Services ○ Asset Management (ITAM) ○ Cerner ○ Other Clinicals ○ Communications Dept ○ New Applications ○ Professional Services ○ Website Hosting 	<p>Cost reimbursement based on expense budget of 8480 and split by FTE count. Itemized service detail with line-item costs will be articulated as a future separate exhibit.</p>
<p>SJGH Physician and Midlevel Services</p> <ul style="list-style-type: none"> • SJGH will supply providers to SJCC as agreed by both parties • Providers will be privileged and credentialed by both SJGH and SJCC 	<p>SJGH will charge SJCC monthly for provider salaries and</p>

<ul style="list-style-type: none"> • Providers will ensure compliance with HRSA compliance manual and HRSA site visit protocol – see exhibit D for HRSA terms related to patient transfers from SJCC to SJGH • Providers will adhere to SJCC documentation and productivity standards • Providers will participate in SJCC quality/performance improvement activities • SJCC will provide clinical support staffing commensurate with industry standards • SJCC will provide regular productivity and quality performance reporting 	<p>benefits for time worked at SJCC.</p>
<p>Other SJGH Services</p> <ul style="list-style-type: none"> • Other services not explicitly expressed in this agreement to be provided as needed by SJGH to SJCC if mutually agreed upon in writing by SJGH and SJCC 	<p>SJGH will charge SJCC monthly for labor and/or non-labor expenses as incurred.</p>
<p>Behavioral Health Services (BHS)</p> <ul style="list-style-type: none"> • BHS may provide licensed behavioral health providers to SJCC subject to availability and at the discretion of the Health Care Services Director • Providers will be privileged and credentialed by both BHS and SJCC • Providers will ensure compliance with HRSA compliance manual and HRSA site visit protocol • • Providers will adhere to SJCC documentation and productivity standards <p>Providers will participate in SJCC quality/performance improvement activities</p>	<p>BHS will Service and Stores Transfer (SST) SJCC for labor costs.</p>
<p>BHS Security Services</p> <ul style="list-style-type: none"> • General security services at 1414 California St., Stockton, CA 	<p>BHS will SST SJCC for security costs.</p>

Attachment to MOU
Exhibit B – SJCC SCOPE OF SERVICES AND FEES

Scope of Service	Fees
<p>Supplemental Funding:</p> <ul style="list-style-type: none"> • Ensure FQHC providers are performing necessary quality-associated functions in compliance with public health system supplemental funding for the Quality Incentive Program (QIP) 	36% of QIP dollars earned.
<p>Call Center Services:</p> <ul style="list-style-type: none"> • Call Center – provide scheduling for SJGH specialty clinics • Access – build/maintain provider templates, additions/removals, opening and closing provider schedules as needed 	25% of monthly expenses for SJCC department 211.
<p>Teaching Programs:</p> <ul style="list-style-type: none"> • See Exhibit C 	No charge to County
<p>Chargebacks</p> <ul style="list-style-type: none"> • Population Health Contractors <ul style="list-style-type: none"> ○ Jeffery A. Slater Corp (JAS) ○ Ahad Yousuf ○ Streamline Consulting LLC • SJGH Chief Medical Information Officer (CMIO) Services • SJCC providers working in SJGH departments 	<p>JAS – 10% of expenses</p> <p>Ahad – 20% of expenses</p> <p>Streamline – 20% of expenses</p> <p>20% of CMIO’s salary & benefits</p> <p>SJCC will charge SJGH monthly for provider salaries and benefits.</p>
<p>Other SJCC Services</p> <ul style="list-style-type: none"> • Other services not explicitly expressed in this agreement to be provided as needed by SJCC to SJGH if mutually agreed upon in writing by SJGH and SJCC. 	SJCC will charge SJGH monthly for labor and/or non-labor.

Attachment to MOU
Exhibit C – TEACHING PROGRAMS

San Joaquin County Clinics (SJCC) and San Joaquin General Hospital (SJGH) agree to the following common goals:

- A. Continuity of care for patients between SJCC outpatient and SJGH inpatient services is vital to both patients and to the comprehensive training experience of the residents.
- B. Resident physicians will be trained not only in excellent, high quality patient care, but also in efficiently and effectively operating an outpatient practice.
- C. High quality, sustainable and cost-effective delivery of care will be sought with each experience of resident physicians and attending physicians.
- D. The Family Medicine Clinic (FMC) within SJCC is at the very core of the training experience for resident physicians and therefore will support the requirements of the program, including variety of clinical experiences, minimum levels of patient encounters achieved, and acceptance of all-comers to the clinic, including add-on patients, to enhance the overall experience.
- E. Continuity is a goal for both parties and requires both parties to ensure consistent scheduling practices.

RESPONSIBILITIES OF SJGH:

SJGH retains responsibility for the educational activities of the medical students and Residency Program that takes place within SJCC facilities.

Provide after-hours, weekend and holiday call service to FMC patients of SJCC through the family medicine resident on call at SJGH. Patients of the FMC shall be referred to the Family Medicine In-Patient Services for needed hospital care.

Develop and execute a medical education program for the Resident Physicians, to include formal lectures, conferences and other educational programs developed for family practice resident physicians.

Prepare and meet accreditation guidelines and submit all required documentation to the Accreditation Council on Graduate Medical Education, Residency Review Committee for Family Practice.

Maintain proper records, including but not limited to timely charting, coding, dropping charges, and maintaining medical records to assure that all state and federal regulations, requirements for governmental agencies and the accrediting institutions in which SJGH participates are met and available to SJCC, as may be necessary.

Prepare schedules for resident physician and preceptor time in the clinic and deliver to SJCC at least ninety (90) days in advance. If there are changes to the schedule, the Residency Program Director must inform SJCC within thirty (30) days of change. Any changes to said schedules require template modification and substitutions of preceptors may be made only from a pre-

approved list of resident physicians and preceptors as determined by the Program Director, subject to periodic change.

Medical School Graduates shall comply with all applicable licensing requirements.

It is expected the Resident Physicians, under the direction of the attending physician, will complete medical records within 72 hours and in accordance with state and federal regulations and SJCC policies and procedures. Providers proctoring Resident Physicians adhere to CMS and DHCS Regulations and Guidance, review the Resident Physician patient chart, and sign off on Resident Physician charts. SJCC will provide any coding discrepancies to the Program Director for purposes of educating the Resident Physicians and preceptors. SJCC CMO in consultation with the Residency Director may address non-compliance or performance issues with the Resident Physician and/or attending physician. The Program Director will proceed in accordance with GMEC policies. Resident Providers will participate in SJCC quality/performance improvement activities. Resident Program management will attend SJCC's monthly Quality Improvement Committee meetings. Resident Providers will receive regular updates on quality, productivity, and patient satisfaction scores from their faculty team leaders to meet ACGME reporting requirements.

SJGH represents, certifies and warrants that Resident Physicians who work in SJCC clinics, shall be at all times qualified and in good standing in accordance with all applicable local, state and federal laws and in accordance with all applicable legal, professional and technical standards. SJGH represents, warrants and certifies, currently and for the term of this Agreement, that no item or service under this Agreement will be made under the medical direction or on the prescription of a physician who is under exclusions. Resident Physicians and medical students shall only provide Services within the scope of their training and experience as determined by the Program Director. Resident physicians should provide services under the direct supervision of the attending physicians.

SJGH shall immediately notify SJCC, in writing, if (i) the licenses, certifications or clinical privileges of Resident Physicians, providing patient care in the clinics, are revoked, suspended, restricted, expired or not renewed, (ii) any peer review action, inquiry or formal corrective action proceeding, or investigation is concluded against any Resident Physician, (iii) Resident Physician is the subject of legal (malpractice) action or governmental action, inquiry or formal allegation concerning qualifications or ability to perform Services (including any allegation of malpractice), (iv) there is any formal report submitted to the applicable state licensing board or similar organization or the National Practitioner Data Bank or adverse credentialing or peer review action regarding any Resident Physician, (v) there is any material change in any of the credentialing information regarding Resident Physician, or (vi) there is any incident that may affect any license or certification held by Resident Physician, or that may materially affect Resident Physician's performance of its obligations under this Agreement. Upon request, SJGH shall provide SJCC with copies of reports, investigations, assessments, formal evaluations or citations.

If at any time during the term hereof, the license or certifications of any Resident Physician are suspended, revoked, expired or not renewed, then SJGH shall ensure that such Resident Physician shall not thereafter provide Services.

RESPONSIBILITIES OF SJCC:

Provide a clinical teaching site at 500 W. Hospital Rd, Suite B, French Camp, California. All clinical teaching sites for the Residency Program shall meet all applicable legal and accreditation regulations, such as those of the Accreditation Council on Graduate Medical Education, for operating a residency teaching clinic. SJCC acknowledges that the Residency Program Director has authority over the educational activities in the Family Medicine Clinic.

SJCC will maintain responsibility and ultimate authority for patient care services, including, but not limited to, the oversight and monitoring of the range and type of services provided and overall operation of the clinics. SJCC will coordinate with the Program Director with respect to any services that impact GME.

Provide all clinical, support, supervisory, and management staff as required for the proper conduct and operation of FMC. SJCC will coordinate with the Residency Programs to stabilize staffing schedules and provide support staff through direct hire by SJCC and/or through contract provider services.

Supply, furnish and maintain, at its own expense, for the onsite use of SJCC clinics, such equipment as may be reasonably necessary for the proper operation and conduct of SJCC clinics.

Purchase and furnish, at its cost and expense, all necessary supplies and inventory for use in the operation of SJCC clinics.

Select, train, and supervise all clinic support staff, including Patient Service Representatives, Medical Assistants, Clinic Office Supervisors, Nurses, Physician Assistants/Nurse Practitioners, Outpatient Services Manager and Director of Outpatient Services for SJCC clinics.

Supply and maintain a practice management system to allow for efficient clinic operations and appropriate patient care. SJCC will supply ongoing Medical Assistant training and annual competency reviews.

Maintain proper records to assure that all State and Federal regulations required by governmental agencies, insurance carriers, and the accrediting institutions in which SJGH participates are met and made available to SJGH.

Any and all revenue associated with or generated by the clinical or medical services provided by SJCC faculty, SJGH contract and employee physicians and resident physicians in SJCC clinics, will be retained by SJCC.

Reimbursements for resident physicians will be paid monthly on an estimated amount due based on the published schedule and reconciled quarterly based on actual hours worked in SJCC

clinics. SJCC is not responsible for reimbursement to SJGH for call hours, on call stipends, ward duty hours, weekend or night call hours, CME hours or expenses, conference time or conference-related expenses, travel-related expenses, training materials or non-clinic administrative time spent by the SJGH faculty, resident physicians and/or Family Medicine Residency supervisor. Benefits for residents are to be reimbursed on a pro-rata basis, based on the number of hours worked in clinic. Benefits eligible for reimbursement on a pro-rata basis are: FICA, SJCERA, health stipend, life insurance premium, 23 days of leave pay, 10 days of holiday pay, workman's compensation, unemployment insurance, employee assistance and wellness program costs, membership and organization dues and professional stipend costs.

SJCC will not be responsible for the reimbursement of special benefits such as, but not limited to, uniforms, meal cards, moving expenses, mileage and bonus related to the medical record incentive program.

SJCC exclusively regulates policy regarding payment plans and patients accepted in the clinics. SJCC has the sole authority to enter into Agreements with Health Plans and patients for the purpose of providing access to care in the clinics.

SJCC will serve as the outpatient clinical site for the SJGH Internal Medicine (IM) residency program in accordance with Accreditation Council for Graduate Medical Education (ACGME) guidelines. IM non-core faculty will be anchored at an SJCC site. SJCC will provide clinical support staffing commensurate with industry standards. SJCC will provide 8 exam rooms at the Primary Medicine Clinic (PMC). SJCC will provide residency management with monthly reporting surrounding provider productivity, quality metrics, and patient satisfaction. SJCC will provide Residency Program management independent metrics of Resident Provider performance.

SJCC call center agents will schedule appointments in a manner that is aligned with Graduate Medical Education (GME) program continuity clinic schedules. When resident continuity is not possible, then team continuity will be prioritized.

JOINT RESPONSIBILITIES:

Physicians selected as faculty and providing preceptor services under this agreement shall at all times during the term of this Agreement be qualified and licensed to practice medicine in the State of California, be credentialed by SJCC, and shall be a member in good standing and have privileges on the Medical Staff of SJGH. Physicians shall maintain a policy or policies of professional liability insurance as required by the County of San Joaquin. Preceptor Physicians shall perform services in accordance with all requirements imposed by statute, regulation, the bylaws, rules and regulations, and policies and procedures of SJGH Residency Program, and SJGH's Medical Staff, and all standards and recommendations of the The Joint Commission (TJC), as they may be amended from time to time. It is acknowledged that the FQHC clinics are not TJC certified operations.

Each party shall notify the other as soon as reasonably possible of any intent to initiate changes in policies, programs, services, personnel, facilities or financing which may impact the operations of SJCC clinics and/or SJGH.

SJGH and SJCC shall coordinate and agree mutually upon applications for grants being performed within SJCC prior to grant application submission.

SJCC will be responsible for providing the equipment for the Family Medicine Clinic. However, if there are additional specialized equipment needs of the Residency Program, the Residency Program will be responsible for procuring, maintaining and replacing the equipment. All equipment needs must be coordinated with the SJCC COO.

SJCC and Residency Program management will jointly ensure longitudinal continuity per ACGME requirements.

Providers who work in SJCC shall not make agreements with an outside party or agency to accept and treat patients in the clinics without the prior approval of SJCC CEO or his/her designee.

Under no circumstances may SJCC and/or SJGH employees have the authority to waive SJCC fees for services provided in the clinics.

SJCC only receives reimbursement for encounters where a licensed preceptor physically interacts with the patient and signs off on the resident physician's care plan or note. Therefore, all resident encounters are expected to have direct and documented faculty involvement. SJCC will only reimburse SJGH for preceptor patient care time resulting in billable visits.

Attachment to MOU
Exhibit D – PATIENT TRANSFERS FROM SJCC TO SJGH

This exhibit serves as an agreement between San Joaquin County Clinics (SJCC) and San Joaquin General Hospital (SJGH) for the provision of hospital inpatient, specialty outpatient, and emergency care services at SJGH.

SJCC agrees to:

- Comply with SJCC's Referral Tracking Policy and Procedure.
- Coordinate appointments for SJCC's patients referred to SJGH.
- Coordinate primary health care services with SJGH providers, as appropriate and identify primary care providers to SJGH so that SJGH can coordinate hospital services with such providers.
- Provide SJGH with treatment and payment related information regarding SJCC patients and maintain privacy and confidentiality, in compliance with HIPAA regulations. The parties (and their directors, officers, employees, agents, and contractors) shall maintain the privacy and confidentiality of all information regarding the personal facts and circumstances of all SJCC patients, in accordance with all applicable Federal and State laws and regulations (including, but not limited to, the Health Insurance Portability and Accountability Act and its implementing regulations set forth at 45 C.F.R. Part 160 and Part 164) and SJCC's policies and procedures regarding privacy and confidentiality of such information. The Parties (and their directors, officers, employees, agents, and contractors) shall: (1) not use or disclose patient information, other than as permitted or required by this agreement for the proper performance of its duties and responsibilities hereunder; (2) use appropriate safeguards to prevent use or disclosure of patient information, other than as provided under this agreement and (3) notify the other immediately in the event the Party becomes aware of any use or disclosure of patient information that violates the terms and conditions of the Agreement or applicable Federal; and State laws or regulations.
- SJCC agrees to provide intake, registration, and initial screening/treatment services to patients presenting to SJCC for the provision of primary care and preventative health care services. If such initial screening/treatment services (or other subsequent examinations) indicate the need for inpatient, outpatient, or emergency care, SJCC agrees to assist SJCC patients in making timely and appropriate arrival for assessment and/or appointments with SJGH for the provision of inpatient, outpatient, and emergency care services.
- SJCC agrees to maintain the responsibility for SJCC patient overall treatment plan, including managing and monitoring such treatment, and to furnish appropriate follow-up care to SJCC patients who are referred back to SJCC. SJCC agrees to be solely responsible for billing and collecting all payments from appropriate third-party payors, funding sources, and as applicable, patients, for follow-up care rendered by SJCC.
- All SJCC and health related professionals employed by or under contract with either Party shall retain sole and complete discretion, subject to any valid restrictions, imposed by participation in a managed care plan, to refer patients to any and all provider(s) that best meet the requirements of such patients. All such patients shall be advised that, subject to any valid restriction(s) imposed by the participation in a managed care plan, said patients may request referral to any provider that they choose.

- SJCC retains the authority to contract with other parties, if to the extent that, SJCC's Chief Executive Officer, reasonably determines that such contracts are necessary in order to implement SJCC's policies and procedures, or as otherwise may be necessary to ensure appropriate collaboration with other local providers (as required by Section 330 (K) (3) (B)), to enhance patient freedom of choice, and/or to enhance accessibility, quality, and comprehensiveness of care.

SJGH agrees to:

- Provide inpatient, outpatient, and emergency care services to patients referred by SJCC as available at SJGH, subject to the capabilities and capacities of SJGH, on an as-needed basis, consistent with, at minimum, the prevailing standard of care and in the same professional manner and pursuant to the same professional standards as are generally furnished to patients of SJCC.
- Provide inpatient, outpatient, and emergency care services to all patients referred in a nondiscriminatory manner and regardless of race, gender, ethnicity, or ability to pay subject to capacity limitations and in accordance with all relevant federal, state, and local laws and regulations, including but not limited to, non-discrimination laws.
- Coordinate hospital services with SJCC primary care providers as reasonable and refer patients back to SJCC at a mutually agreed upon time that is clinically appropriate, which shall be determined on a case-by-case basis for each individual SJCC patient. SJGH agrees to provide SJCC with a written diagnosis as applicable, and specific recommendations for appropriate follow-up care to be furnished by SJCC.
- Maintain privacy and confidentiality in compliance with HIPAA regulations.
- To the extent necessary for treatment or payment purposes within the meaning of the above-referenced HIPAA regulations, provide documentation to SJCC of each SJCC patient's use of SJGH facilities and services, including, but not limited to: admissions, discharges, and other patient tracking as permitted by applicable law.
- SJGH agrees to provide SJCC with assurances that, during the term of this referral agreement, it and, as applicable, its individual healthcare practitioners furnishing inpatient, outpatient, and emergency care services to SJCC's patients are and will remain: 1) duly licensed, certified, and/or otherwise qualified to provide services hereunder, with appropriate training, education, and experience in their particular field; 2) appropriately credentialed and privileged; and 3) eligible to participate in federal health care programs including Medicaid and Medicare.
- SJGH agrees to establish and maintain medical records regarding the provision of inpatient, outpatient, and emergency care services to SJCC patients, which records shall be the property of SJGH. To ensure continuity of care of SJCC patients, SJCC and SJGH agree to cooperate in developing a method by which records and other clinical notes can be shared between the parties, which may include, but is not limited to, SJCC's reasonable access to the patient records developed by SJGH, subject to all applicable federal and state laws and regulations and the policies and procedures of each party.
- To the extent that SJCC Patients receive inpatient, outpatient, and emergency care services from SJGH, pursuant to the agreement, such individuals shall be considered patients of SJGH. Accordingly, SJGH agrees to be solely responsible for billing and collecting all payments from appropriate third party payers, and, as applicable, SJCC patients whose annual income falls between 101% and 200% of the Federal Poverty level

set forth in the then current Federal Poverty Guidelines in accordance with a schedule of discounts of charges based on household income and family size, and to bill such patients with annual incomes at or below 100% of the Federal Poverty Level, at most, a nominal charge.

- SJGH represents and warrants that it is covered by a professional liability insurance policy (malpractice, errors and omissions) providing sufficient coverage against professional liabilities that may occur as a result of furnishing inpatient, outpatient, or emergency care services to SJCC patients under this agreement. SJGH understands and agrees that, as the provider of record, of the inpatient, outpatient, and emergency care services provided to SJCC patients under this agreement, SJGH is solely liable for such services, and that SJCC will not be liable, whether by way of contribution or otherwise, for any damages incurred by SJCC patients or arising from any acts or omissions in connection with the provision of such services.
- Nothing in this agreement requires, is intended to require, or provides payment or benefit of any kind (directly or indirectly) for the referral of individuals or business to either party. Neither party shall track such referrals for purposes relating to setting the compensations of their professionals or influencing their choice.
- SJGH affirms that no patient is denied necessary medical care because of an inability to pay and it maintains a Financial Assistance Policy based upon household size and income established through an annual review of the Federal Poverty Guidelines.

Attachment to MOU
Exhibit E – SJCC PROPERTY LEASES

SJCC Site	Lease Inception Date	Lease Term	Lease Rate	Square Footage	Base Rent	Facilities Expenses (R&M, utilities, etc.)	SJCC Fiscal Responsibility	County Fiscal Responsibility
500 W. Hospital Rd, Suite A, French Camp, CA	7/1/2020	SJ County MOU Term	1.43/sqft	4,588	6,561	prorated by sqft	while occupied, base rent + prorated facilities expenses	none
500 W. Hospital Rd, Suite B, French Camp, CA	7/1/2020	SJ County MOU Term	1.43/sqft	6,322	9,040	prorated by sqft	while occupied, base rent + prorated facilities expenses	none
500 W. Hospital Rd, Suite C, French Camp, CA	7/1/2020	SJ County MOU Term	1.43/sqft	3,665	5,241	prorated by sqft	while occupied, base rent + prorated facilities expenses	none
500 W. Hospital Rd, ACS Administrative Offices, French Camp, CA	7/1/2020	SJ County MOU Term	1.43/sqft	655	936	prorated by sqft	while occupied, base rent + prorated facilities expenses	none
1414 California St, Suite A, Stockton, CA	7/1/2020	SJ County MOU Term	1.43/sqft	4,917	7,031	prorated by sqft	while occupied, base rent + prorated facilities expenses	none
1414 California St, Suite B, Stockton, CA	7/1/2020	SJ County MOU Term	1.43/sqft	7,889	11,281	prorated by sqft	while occupied, base rent + prorated facilities expenses	none
1414 California St, Suite C, Stockton, CA	7/1/2020	SJ County MOU Term	1.43/sqft	6,902	9,870	prorated by sqft	while occupied, base rent + prorated facilities expenses	none
283 Spreckels Ave, Manteca, CA	9/1/2017	120 months	graduated per lease agreement	5,880	9,503	graduated estimation and reconciliation per lease	leashold improvement liability + associated interest	while occupied, SJGH to pay base rent + facilities expenses
6221 West Lane, Stockton, CA	9/1/2021	LOU Term	graduated per LOU	3,396	10,035	graduated estimation and reconciliation per lease	base rent + facilities expenses	none