



Health Care Services Review Project Committee

Agenda

San Joaquin County Administration Building
44 N. San Joaquin Street, Room 146, Stockton, CA 95202
Wednesday, April 16, 2025
8:30 a.m.

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

Committee Members

Paul Canepa (Mario Gardea – Alternate) | Steven J. Ding | Sandy Regalo | Brandi Hopkins | Adam Brucker
Ed Kiernan | Quenny Macedo | Jeff Woltkamp | Genevieve Valentine | Rick Castro | Sam Harlan | Stacy Ferreira

Agenda Items

Procedural Items

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

Action Items

- | | |
|--|--------------|
| 3. Approve Minutes from January 15, 2025 | Sandy Regalo |
|--|--------------|

Information and Discussion Items

- | | |
|---|----------------|
| 4. Present Financial Results for County Clinics | Stacy Ferreira |
| 5. Present Financial Results for San Joaquin General Hospital | Sam Harlan |
| 6. San Joaquin County Healthcare System Update | Brandi Hopkins |
| 7. Public Comment | Sandy Regalo |

Committee Comments

Closed Session

There are no closed session items scheduled for this date.

Adjournment

Next meeting July 16, 2025 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.

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, January 15, 2025 8:30 a.m.

Procedural Items

1. Call to Order

County Administrator Sandy Regalo called the meeting to order at 8:30 a.m.

2. Roll Call

Present:

Paul Canepa, District 2 Supervisor

Sandy Regalo, County Administrator

Brandi Hopkins, Asst. County Administrator

Adam Brucker, Sr. Deputy County Administrator

Ed Kiernan, County Counsel

Rick Castro, CEO of San Joaquin General Hospital

Genevieve Valentine, Interim Director of Health Care Services, Behavioral Health Director

Stacy Ferreria, CEO of San Joaquin County Clinics

Jeff Woltkamp, Auditor-Controller

Not Present:

Steven J. Ding, District 4 Supervisor

Quenny Macedo, Deputy County Counsel

Sam Harlan, Interim CFO of San Joaquin General Hospital,
Director of Finance

Action Items

3. Approve Minutes from July 17, 2024

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

RESULT: ADOPTED [UNANIMOUS]

MOVER: Paul Canepa, District 2 Supervisor

SECONDER: Rick Casto, CEO of San Joaquin General Hospital

AYES: Canepa, Regalo, Hopkins, Brucker, Kiernan, Castro, Valentine, Ferreria, Woltkamp

ABSENT: Ding, Macedo, Harlan

Information and Discussion Items

4. Be Well Update

Interim Director of Health Care Services and Behavioral Health Director Genevieve Valentine provided the Committee with an update on the Be Well Project. Health Care Services and Behavioral Health Services have been working diligently to secure funds and collaborate with the Community Development department to ensure the project moves forward as planned. There were no questions from the Committee.

5. Avoiding Duplication of Enhanced Care Management (ECM) Services

Ms. Valentine provided the Committee with an overview of the Enhanced Care Management (ECM) Services provided by the County and responded to questions from the Committee. The Committee discussed various issues and solutions to avoid duplication efforts when providing services to the nine specific target population focus groups. It was suggested that the San Joaquin County Clinics (SJCC), San Joaquin General Hospital (SJGH) and Health Care Services (HCS) collaborate to streamline this process.

6. Specialty Clinics Move Update

CEO of San Joaquin General Hospital (SJGH) Rick Castro provided the Committee with an update on the Specialty Clinics move to the Veterans Affairs (VA) Clinic. Mr. Castro responded to questions from the Committee.

7. Public Comment

There were no public comments.

Closed Session

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

Committee Comments

County Administrator Sandy Regalo provided an update to the committee on the collaboration efforts between HCS, SJGH and SJCC. Ms. Regalo also provided status updates for the Co-Applicant Agreement and Management Services Agreement (MSA). Ms. Valentine provided further comments on the Lodi Access Center project.

Ms. Regalo informed the Committee that financial updates will be provided twice a year and will be presented at the next Committee meeting on April 16th.

Mr. Castro provided an update on the Medical School program and the challenges with raising funds for the program. He clarified that the fund raising does not fall on the responsibility of the County. District 2 Supervisor Canepa, Ms. Valentine and Ms. Ferreira provided additional comments regarding the program.

Adjournment

At 9:03 a.m., County Administrator Regalo adjourned the meeting to April 16, 2025, at 8:30 a.m.

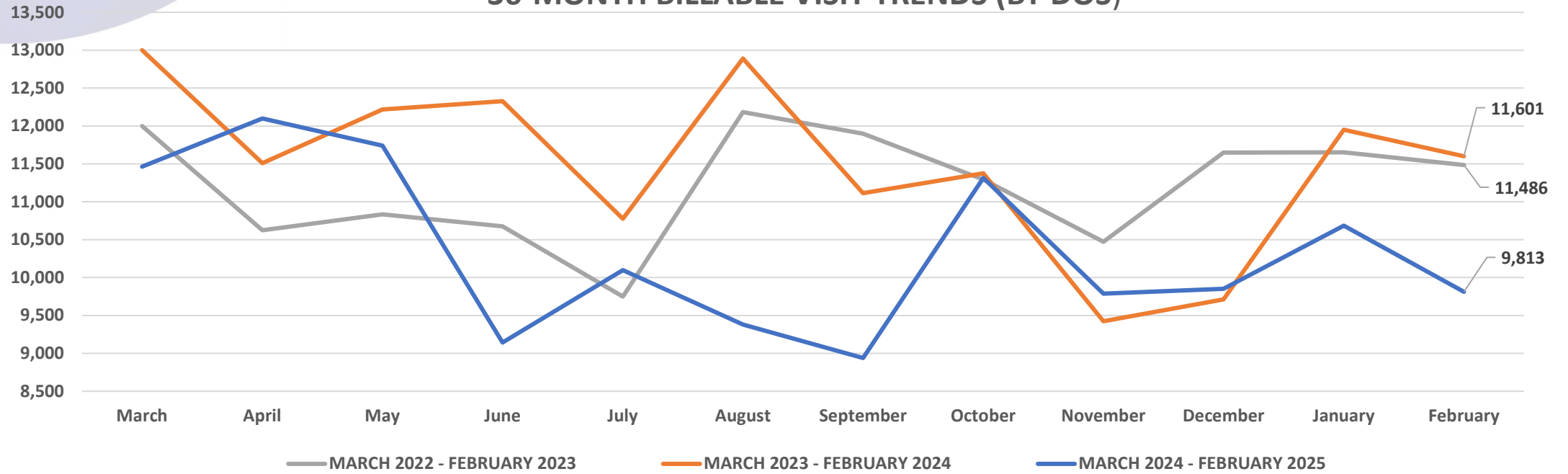
SAN JOAQUIN HEALTH CENTERS FINANCE PRESENTATION

Rachna Sharma
Controller

SJHC Board Presentation Date: 3/25/2025

HCSRП Committee Presentation Date: 4/16/2025

36-MONTH BILLABLE VISIT TRENDS (BY DOS)



| FY25 Visits By Financial Class | Actual |
|--------------------------------|----------------|
| Medi-Cal Managed Care | 76.68% |
| Medicare | 10.97% |
| Medi-Cal | 7.86% |
| Commercial | 3.06% |
| Self-Pay | 1.42% |
| Total | 100.00% |

| FY25 Month | Actual | Budget | Variance |
|--------------|---------------|----------------|-----------------|
| Jul-24 | 10,098 | 9,656 | 442 |
| Aug-24 | 9,380 | 9,656 | (276) |
| Sep-24 | 8,939 | 13,734 | (4,795) |
| Oct-24 | 11,314 | 15,796 | (4,482) |
| Nov-24 | 9,789 | 12,362 | (2,573) |
| Dec-24 | 9,852 | 14,419 | (4,567) |
| Jan-25 | 10,686 | 15,101 | (4,415) |
| Feb-25 | 9,813 | 13,049 | (3,236) |
| Total | 79,871 | 103,773 | (23,902) |

SJ HEALTH INCOME STATEMENT – FEBRUARY 2025

| | Current Period Actual | Current Period Budget - Original | Current Period Budget Variance - Original | Current Year Actual | YTD Budget - Original | YTD Budget Variance - Original |
|-----------------------------|--------------------------|-------------------------------------|--|------------------------|--------------------------|-----------------------------------|
| Operating Revenue | | | | | | |
| Net Patient Service Revenue | 1,821,912 | 2,706,564 | (884,652) | 14,989,242 | 20,530,634 | (5,541,392) |
| Supplemental Revenue | 1,302,195 | 1,302,195 | 0 | 10,045,503 | 10,045,503 | 0 |
| Capitation Revenue | 506,906 | 520,000 | (13,094) | 3,997,090 | 4,160,000 | (162,911) |
| Managed Care Incentives | 0 | 0 | 0 | 64,000 | 500,000 | (436,000) |
| Grant Revenue | 81,980 | 111,645 | (29,665) | 1,342,414 | 1,032,885 | 309,529 |
| 340B Pharmacy Program | 164,494 | 165,873 | (1,379) | 1,953,367 | 1,457,937 | 495,430 |
| MOU & Other Income | 43,541 | 43,853 | (312) | 1,172,919 | 695,825 | 477,094 |
| Total Operating Revenue | 3,921,028 | 4,850,131 | (929,102) | 33,564,534 | 38,422,784 | (4,858,250) |
| Expenditures | | | | | | |
| Salaries & Wages | 1,422,411 | 2,192,765 | 770,354 | 12,256,743 | 18,880,389 | 6,623,646 |
| Employee Benefits | 818,508 | 1,134,731 | 316,224 | 5,906,931 | 9,810,225 | 3,903,294 |
| Professional Fees | 557,352 | 424,796 | (132,556) | 4,643,644 | 3,398,367 | (1,245,277) |
| Purchased Services | 208,765 | 174,328 | (34,436) | 1,646,548 | 1,394,628 | (251,921) |
| Supplies | 128,287 | 135,691 | 7,404 | 1,432,475 | 1,085,528 | (346,947) |
| Depreciation | 59,145 | 65,128 | 5,983 | 473,157 | 511,952 | 38,795 |
| Interest | 1,799 | 2,599 | 800 | 15,875 | 20,788 | 4,914 |
| Office Expense | 1,430 | 5,387 | 3,957 | 12,268 | 43,093 | 30,825 |
| Dues, Subscription & Fees | 130,324 | 121,987 | (8,337) | 1,058,962 | 975,896 | (83,066) |
| Repairs & Maintenance | 64,746 | 64,617 | (129) | 522,083 | 516,935 | (5,148) |
| Telephone & Internet | 15,427 | 8,144 | (7,283) | 129,619 | 65,154 | (64,466) |
| Advertising & Promotions | 1,528 | 13,948 | 12,420 | 32,881 | 111,581 | 78,701 |
| Travel & Training | 42,517 | 11,809 | (30,708) | 337,315 | 94,469 | (242,845) |
| Insurance | 19,093 | 17,937 | (1,156) | 146,721 | 143,495 | (3,225) |
| Utilities | 118,438 | 127,647 | 9,209 | 976,649 | 1,021,176 | 44,527 |
| Rent | 83,518 | 103,024 | 19,506 | 854,123 | 824,192 | (29,931) |
| Miscellaneous | 5,178 | 34,870 | 29,692 | 352,181 | 278,962 | (73,219) |
| Total Expenditures | 3,678,464 | 4,639,407 | 960,943 | 30,798,174 | 39,176,830 | 8,378,656 |
| Net Income(Loss) | 242,564 | 210,724 | 31,841 | 2,766,360 | (754,046) | 3,520,406 |

* Supplemental Revenue includes QIP revenue which represents 29.93% of Total Operating Revenues as of February 2025.

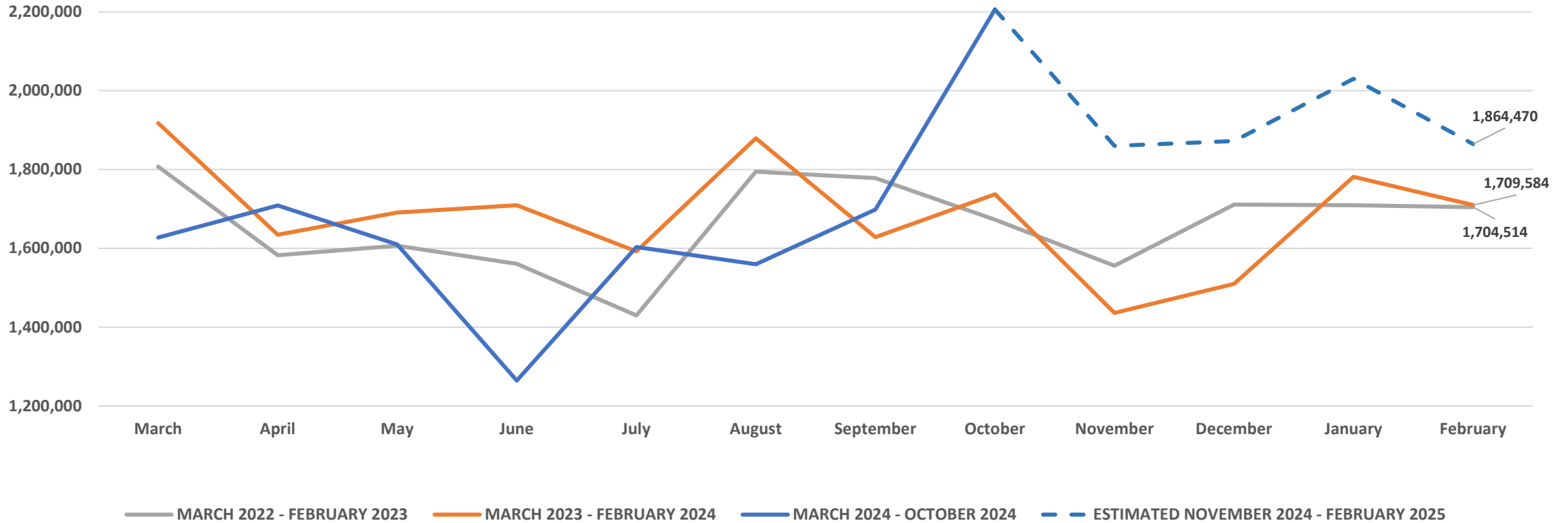
SJ HEALTH INCOME STATEMENT VARIANCE ANALYSIS YTD FY25 (ONLY VARIANCES WITH +/- 10% ARE REPRESENTED)

| Income Statement Grouping | Current Period | | | | YTD - Variance Explanations |
|-----------------------------|-----------------------|----------------------------------|----------------------------|------------|--|
| | Current Period Actual | Current Period Budget - Original | Budget Variance - Original | % Variance | |
| Revenues | | | | | |
| Net Patient Service Revenue | 14,989,242 | 20,530,634 | (5,541,392) | -27% | Unfavorable variance due to visits being under budget YTD by 23,902. Additionally, YTD budgeted revenues include a reserve of 2.96M (Jul-Feb) for increase in revenue related to intermittent clinic strategy. |
| Managed Care Incentives | 64,000 | 500,000 | (436,000) | -87% | Unfavorable mainly due to the HEDIS incentive payment recorded as revenue in FY24, and the actual payment received and budgeted in FY25. |
| Grant Revenue | 1,342,414 | 1,032,885 | 309,529 | 30% | Favorable variance mostly due to revenue recognized for Bridge Access Program, Binational Health Event, ECM, and HHIP grant projects. |
| 340B Pharmacy Program | 1,953,367 | 1,457,937 | 495,430 | 34% | Favorable variance due to 340B Referral Opportunity Program implementation as well as strategies to mitigate the impact of manufacturers' restrictions on the program. |
| MOU & Other Income | 1,172,919 | 695,825 | 477,094 | 69% | Favorable variance mainly due to interest income received being 335K higher than budgeted and retainer fee refund for \$50K from Kronick. |
| Expenditures | | | | | |
| Salaries & Wages | 12,256,743 | 18,880,389 | 6,623,646 | 35% | Favorable variance mainly related to vacancies. FY25 salaries and benefits budgeted at 100% employment. Actual FTEs for February 2025 for direct hire positions are 176.08 compared to budgeted FY25 FTEs of 213. |
| Employee Benefits | 5,906,931 | 9,810,225 | 3,903,294 | 40% | For purposes of annual budgeting, per SJ County direction, county employees purchased by SJHC were budgeted at 65% benefits costs to salaries. February actual benefit costs as a percentage of salaries is 48%. |
| Professional Fees | 4,643,644 | 3,398,367 | (1,245,277) | -37% | Unfavorable variance mainly due to higher than anticipated utilization of contracted medical support staff and consulting fees related to BI and AMN Leadership consultant, NAP, Barton & Associates, and Amergis contractors. |
| Purchased Services | 1,646,548 | 1,394,628 | (251,921) | -18% | Unfavorable variance mainly related to higher EMMI fees than budgeted based on the actual higher collections in the current year. |
| Supplies | 1,432,475 | 1,085,528 | (346,947) | -32% | Unfavorable variance mainly related to increase in pharmaceutical expenses for 340B program. |
| Telephone & Internet | 129,619 | 65,154 | (64,466) | -99% | Unfavorable variance mainly related to higher actual expenses than budgeted for telephone charges. |
| Advertising & Promotions | 32,881 | 111,581 | 78,701 | 71% | Favorable variance mainly related to Port City Marketing pre-paid service fees less than budgeted |
| Travel & Training | 337,315 | 94,469 | (242,845) | -257% | Unfavorable variance mainly related to higher than anticipated travel expenses for contracted medical staff and consultants. |
| Miscellaneous | 352,181 | 278,962 | (73,219) | -26% | Unfavorable variance mainly related to higher than anticipated recruiting, minor equipment, and security expenses. |

SJ HEALTH BALANCE SHEET- FEBRUARY 2025

| | YTD FY2024 JUNE 30, 2024 (AUDITED) | QTR 1 FY2025 SEPTEMBER 30, 2024 | QTR 2 FY2025 DECEMBER 31, 2024 | JANUARY 2025 | FEBRUARY 2025 |
|----------------------------------|--|---------------------------------------|--------------------------------------|-------------------|-------------------|
| Assets | | | | | |
| Cash & Cash Equivalents | 25,179,530 | 25,273,844 | 26,158,275 | 25,160,102 | 23,656,326 |
| Accounts Receivable | 1,880,947 | 1,563,783 | 1,325,224 | 1,655,454 | 2,058,682 |
| Property & Equipment | 2,778,356 | 2,738,566 | 2,631,991 | 2,589,181 | 2,554,850 |
| Other Assets | <u>18,884,594</u> | <u>20,875,851</u> | <u>21,960,080</u> | <u>24,063,635</u> | <u>24,148,760</u> |
| Total Assets | <u>48,723,427</u> | <u>50,452,045</u> | <u>52,075,570</u> | <u>53,468,373</u> | <u>52,418,617</u> |
| Liabilities | | | | | |
| Accounts Payable | 1,464,388 | 1,715,781 | 1,849,469 | 1,961,908 | 1,629,433 |
| Other Liabilities | 5,712,915 | 6,899,778 | 7,430,227 | 7,822,728 | 7,081,001 |
| Deferred Revenue | <u>0</u> | <u>0</u> | <u>0</u> | <u>506,906</u> | <u>332,000</u> |
| Total Liabilities | <u>7,177,303</u> | <u>8,615,559</u> | <u>9,279,697</u> | <u>10,291,541</u> | <u>9,042,434</u> |
| Net Assets | | | | | |
| Unrestricted Net Assets | 28,714,912 | 38,960,214 | 38,960,214 | 38,960,214 | 38,960,214 |
| Restricted Net Assets | 2,585,910 | 2,333,093 | 1,896,449 | 1,692,823 | 1,649,610 |
| Current YTD Net Income | <u>10,245,302</u> | <u>543,179</u> | <u>1,939,211</u> | <u>2,523,795</u> | <u>2,766,360</u> |
| Total Net Assets | <u>41,546,124</u> | <u>41,836,486</u> | <u>42,795,873</u> | <u>43,176,832</u> | <u>43,376,184</u> |
| Total Liabilities and Net Assets | <u>48,723,427</u> | <u>50,452,045</u> | <u>52,075,570</u> | <u>53,468,373</u> | <u>52,418,617</u> |

36-MONTH TRENDS - CASH COLLECTED



| FY25 Collections By Financial Class | % |
|-------------------------------------|---------|
| Medicaid | 94.83% |
| Medicare | 4.52% |
| Self-Pay | 0.43% |
| Commercial | 0.23% |
| Total | 100.00% |

NOTE: COLLECTIONS FROM NOVEMBER 2024 THRU FEBRUARY 2025 HAVE BEEN ESTIMATED BASED ON THE HISTORICAL TREND. INCREASE IN COLLECTIONS FROM SEPTEMBER THROUGH FEBRUARY 2025 IS DUE TO THE IMPLEMENTATION OF INTERMITTENT CLINIC STRATEGY.

CAPITAL LINK FQHC FINANCIAL BENCHMARKS VS SJ HEALTH

| DATA SUMMARY | CAPITAL LINK TARGET | 2021 NATIONAL MEDIAN | 2021 CALIFORNIA MEDIAN | SJ HEALTH FYTD FY24 (AUDITED) | SJ HEALTH FYTD FY25 |
|---|---------------------|----------------------|------------------------|-------------------------------|---------------------|
| FINANCIAL HEALTH | | | | | |
| 1 Operating Margin As a % of Operating Revenue | >3% | 10% | 11% | 17.8% | 8.2% |
| 2 Bottom Line Margin As a % of Operating Revenue | >3% | 13% | 15% | 18.1% | 8.2% |
| 3 Days Cash on Hand | >45 Days | 116 | 143 | 202 | 190 |
| 4 Days in Net Patient Receivables | <60 Days | 38 | 39 | 35 | 32 |
| 5 Personnel-Related Expense (PRE) As a % of Operating Revenue | <70 | 66% | 67% | 66% | 73% |

QUESTIONS & ANSWERS

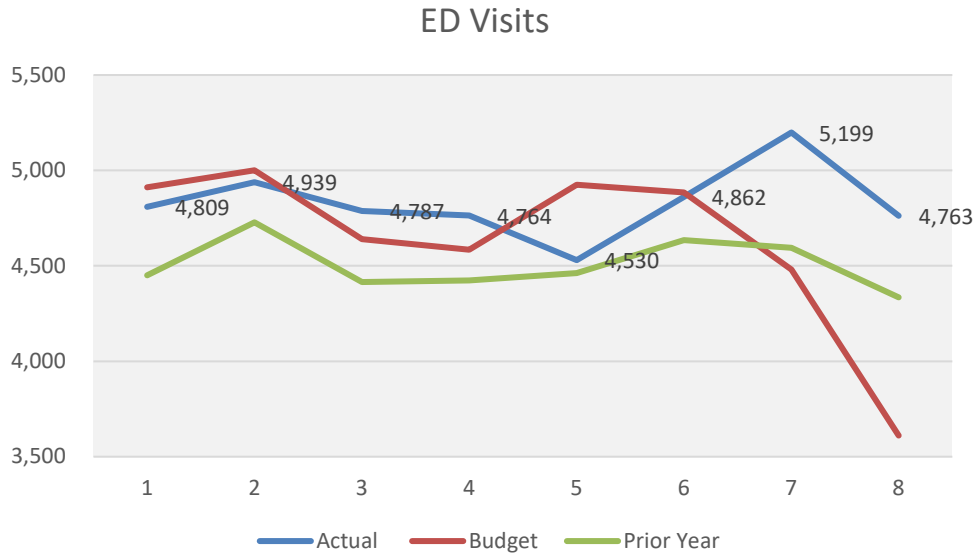
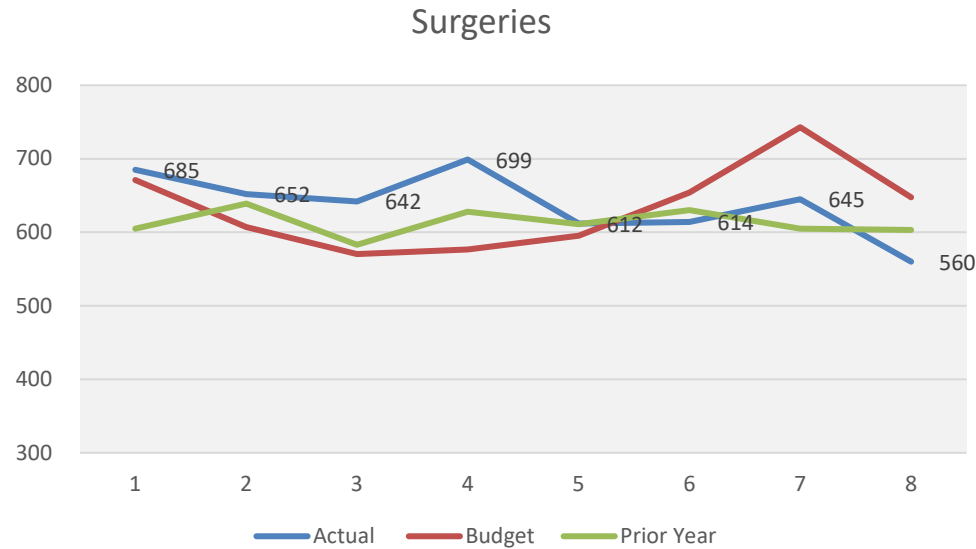
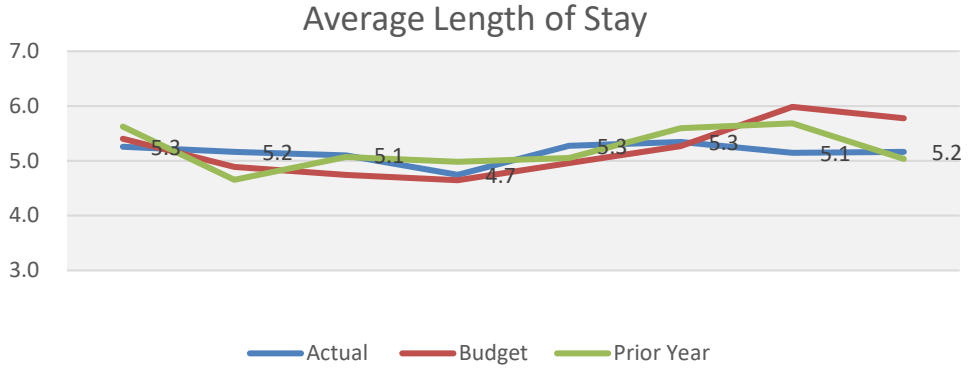
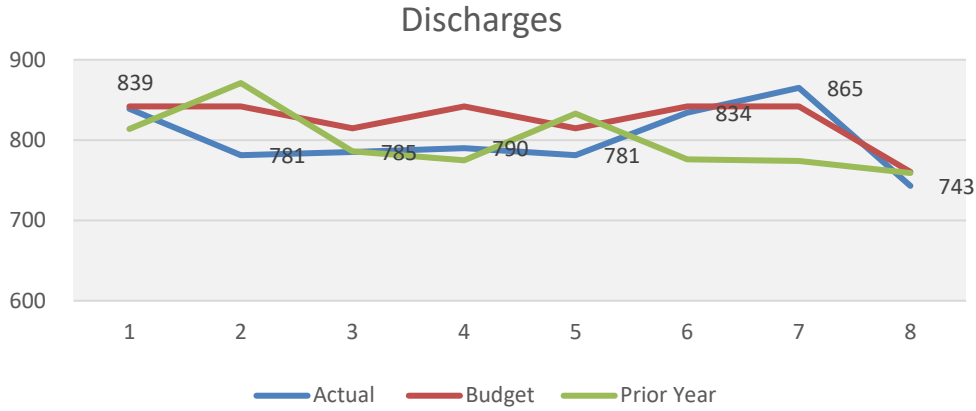




San Joaquin General Hospital

FY 2024-2025 Financial Update-April 16, 2025







Year Over Year Analysis

FY 2020 FY 2021 FY 2022 FY2023 FY2024 (Audited)

FY 2020 - FY 2025 Year over Year Analysis

| | FY 2019-20 Audited | FY 2020-21 Audited | FY 2021-22 Audited | FY 2022-23 Audited | FY 2023-24 Audited | FY 2024-25 Unaudited | FY 2024-25 BUDGET |
|---------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|----------------------|
| Operating Revenue | \$ 395,338,692 | \$ 430,446,182 | \$ 451,191,939 | \$ 453,330,242 | \$ 463,676,877 | \$ 513,964,580 | \$ 502,668,931 |
| Operating Expenses | 430,431,766 | 447,046,358 | 458,874,436 | 468,050,560 | 479,759,394 | 532,692,247 | 511,815,947 |
| Operating Margin (Loss) | \$ (35,093,074) | \$ (16,600,176) | \$ (7,682,497) | \$ (14,720,318) | \$ (16,082,517) | \$ (18,727,667) | \$ (9,147,016) |
| Non-Operating (Transfers) | \$ 11,683,697 | \$ 20,509,139 | \$ 21,548,888 | \$ 23,510,460 | \$ 30,692,144 | \$ 18,727,930 | \$ 9,638,053 |
| Net Income (Loss) | \$ (23,409,377) | \$ 3,908,963 | \$ 13,866,391 | \$ 8,790,142 | \$ 14,609,627 | \$ 264 | \$ 491,037 |

Supplemental Funding Sources

| | ESTIMATE | BUDGET |
|------------------------------|--------------------|--------------------|
| Program | FY25 | FY26 |
| PHYSICIAN SPA-Reserve | - | (2,000,000) |
| PHYSICIAN SPA-Interim Pymnt. | 2,500,000 | 3,000,000 |
| HQAF - Direct Grant | 3,746,000 | 2,500,000 |
| Voluntary Rate Range | 35,791,331 | 42,259,546 |
| SB1732 | - | - |
| AB915 | 5,600,000 | 4,000,000 |
| Global Payments Program | 22,731,848 | 17,012,861 |
| DSH OP QUARTERLY | 18,756 | 17,000 |
| Enhance Payment Program | 40,665,285 | 35,847,020 |
| QIP SJGH- 64% | 45,992,080 | 50,437,457 |
| MCal GME Direct-Indirect | 3,154,002 | 2,250,000 |
| | 160,199,302 | 154,323,884 |

Projects (Current and Future)

Time Clock System

Work Day Financials

Strata Jazz (Cost Accounting)

SSI (Billing Software)

OHPA (Patient Accounting)

CMARS (Patient Accounting Contract Management)

Solventum Computer Assisted Coding

Qsight (High Dollar Inventory Management)



April 15, 2025

MEMORANDUM

TO: Health Care Services Review Committee (HCSRC) Members
FROM: Brandi Hopkins, Assistant County Administrator
SUBJECT: Updates and Discussion on County's Health Care System

Please accept this correspondence and presentation on updates to the County's Health Care system including the Health Care Services Agency (HCS), San Joaquin General Hospital (SJGH) and SJ Health (San Joaquin County Clinics).

The County and all health care departments are continuing to collaborate and maintain accessible, high-quality, clinically integrated, coordinated and lower cost health care to the underserved in our community. In recent years, health care leadership has changed, the County has contracted with CommonSpirit to provide management oversight to SJGH, SJ Health has moved to become a stand-alone department, and HCS, especially Behavioral Health Services has faced many legislative changes.

Today's presentation is intended to provide an update on our health care system and answer any questions you may have.

SJGH Management Services Agreement

In 2022, the Board of Supervisors made a special finding that the management services at SJGH could be more efficiently, effectively, and economically provided through a Management Services Agreement (MSA) with CommonSpirit. These services are ongoing, and the current agreement will expire on June 30, 2025. The County Administrator will be recommending a three-year extension to the Board on May 13, 2025.

SJ Health Background

In 2014, the Health Resources and Services Administration (HRSA) designated the County as a Federally Qualified Health Center Look-Alike (FQHC-LAL). As a public agency, the County has entered a Co-Applicant Agreement with San Joaquin County Clinics (SJCC) to comply with HRSA's FQHC and FQHC-LAL governance requirements. The Co-Applicant Agreement delegates the required authorities and functions to the SJCC Board as the Co-Applicant and delineates the roles and responsibilities of the County and the SJCC Board for carrying out the Health Center Program project.

While the Bylaws and the Co-Applicant Agreement govern the relationship between the County and SJCC Board, there are additional governing documents, the SJCC Bylaws and the Health Care Program Compliance Manual (HRSA Manual) ([Health Center Program Compliance Manual | Bureau of Primary Health Care](#)). These documents provide guidance and direction to SJCC Board Members and County leadership/employees on the integration of health care, regulatory responsibilities, and federal, state, or local laws. The HRSA Manual provides guidance on HRSA's compliance requirements for public and non-public (non-profit) HRSA-approved health centers.

For public agency FQHCs and FQHC-LALs, the HRSA Manual states, *"in cases where a public agency is the recipient of the Health Center Program Federal award or designation and has established a co-applicant structure, the public agency may establish and retain the authority to adopt and approve policies that support financial management and accounting systems and personnel policies."*

Co-Applicant Proposed Amendments

The HRSA Manual states that it does not apply to activities conducted outside of a health center's HRSA-approved scope of project. It additionally clarifies that other federal, state, and local rules and laws may apply to the health center. In this case, SJ Health, a County department, must also comply with state and local laws and regulations regarding procurement, financial management, and human resources/personnel. The proposed amendments to the Co-Applicant Agreement reflect these additional compliance requirements and ensure that SJCC operates within the confines of the HRSA Manual as well as state and local law.

In 2021, the Co-Applicant Agreement was amended; some of the 2021 amendments do not align SJ Health's business practices with the County's policies on accounting, procurement, and personnel. On April 9, 2025, the SJCC Board of Directors approved proposed amendments to the Co-Applicant Agreement aligning SJ Health's business practices with County policies. The County Administrator's Office will present the proposed amendments to the Board on April 22, 2025, for final approval. If approved, the CAO's Office will work with all affected parties to ensure alignment and compliance.

Memorandum of Understanding (MOU) between San Joaquin County Clinics

The MOU is an internal agreement between County departments outlining the roles, responsibilities, and compensation for supporting the County's Health Care System. The MOU includes San Joaquin County General Hospital (SJGH) and the San Joaquin County Health Centers (Health Centers/Clinics), and addresses support services such as information technology, human resources, and the Tax Collector. The MOU commenced on July 1, 2020 with a sixty-month term and a Renewal Clause (Section 5), which states is the MOU is self-renewing. The County Administrator's Office intends to begin working the affected departments to update the MOU. Should the Board approve the amended Co-Applicant Agreement on April 22, 2025, several sections of the MOU will no longer be necessary.

Supplemental Funding/Quality Incentive Program (QIP)

Public health systems, like the County, are eligible for QIP funding and other sources of supplemental funding. The fulfillment of both important points detailed above is necessary for the County (and by extension SJCC) to maximize these funding opportunities. However, supplemental funding/QIP does not fall under HRSA or the SJCC's jurisdiction; it is solely subject to the Board of Supervisors' policy direction, though County departments and the SJCC Board (through the Project Director) may make recommendations to the Board of Supervisors regarding the use of such funding. The proposed amendments also address these considerations. Specifically, Sections 2.1(a)(vii) and 2.2(b) clarify that only the Board of Supervisors sets policy direction regarding supplemental funding. Notably, QIP is currently shared by SJGH and SJ Health as detailed in the MOU.

The clarification of the County's role provided by these proposed amendments is necessary because QIP funding is based on quality measures and scores mutually obtained by two County departments - SJGH and SJ Health. Currently, QIP is shared by SJGH and SJ Health through MOU provisions. The County would not be eligible for this important supplemental funding without SJGH. Therefore, it is critical and expected that SJGH and SJ Health work together to maximize quality scores and the funding associated with the QIP because QIP is a fundamental component to our shared purpose of providing integrated health care to underserved populations in the County.

Attachments: Health Care Systems Common Definitions prepared for the SJCC Board
MOU between the County and San Joaquin County Clinics

BH04-02

BH

San Joaquin County Health Care System

Definitions of Common Terms

March 2025

| Term | Definitions |
|--|--|
| Bylaws | Document outlining the rules of SJCC (non-profit) for the government of its members and the regulations of its affairs. |
| Co-Applicant | Advisory board to a government agency owned health clinic system to meet eligibility as a FQHC-LAL. |
| Co-Applicant Agreement | Agreement between the County and SJCC detailing the rights and collaborative governance responsibilities of the Parties in SJCC's operations. |
| County's Health Care System | An integrated system that provides, in part, comprehensive primary and preventive care and related services to the medically underserved; includes multiple County departments including Health Care Services (and all HCS divisions), SJGH, and SJ Health. |
| Federally Qualified Health Center (FQHC) | A community-based health care provider that meets the requirements of the Health Center and receives certain federal grants. |
| Federally Qualified Health Center Look-Alike (FQHC-LAL) | A community-based health care provider that meets the requirements of the Health Center but does not receive program funding. |
| Health Center Program | A federal program designed to create community-based clinic that provide medical, dental, and other health care services to underserved populations regardless of their ability to pay. The Health Center Program is operated by HRSA. |
| Health Care Center Program Compliance Manual (HRSA Manual) | The purpose of the compliance manual is to provide a consolidated resource to assist health centers in understanding and demonstrating compliance with Health Center program requirements. The manual also addresses HRSA's approach to determining eligibility for and exercising oversight over the Health Center Program. |
| Health Resources and Services Administration (HRSA) | Federal agency responsible for improving access to health care for the medically underserved. |

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| Management Services Agreement between the County and CommonSpirit | Agreement outlining scope of services provided by CommonSpirit for the day-to-day management of San Joaquin General Hospital (SJGH) designed to improve culture, quality and revenues. |
| Memorandum of Understanding between County and SJCC (MOU) | Document outlining scope of services and compensation between County departments, including SJ Health as a County department that provides services/goods to each other. |
| Parties | SJCC and the County |
| Project Director/Chief Executive Officer | A County Department Head (County employee) who is responsible for the day-to-day operations of the SJCC and is appointed by the SJCC Board. |
| San Joaquin County (County) | A political subdivision of the State of California. The HRSA-designated FQHC-LAL. |
| San Joaquin County Board of Supervisors | Elected governing body of the County. |
| San Joaquin County Health Centers (Health Centers/Clinics) (SJ Health) | A department of the County responsible for carrying out the duties of the FQHC-LAL and the County's Health Care System. Eligible for license-exempt status under California state law. |
| San Joaquin County Clinics (SJCC) | A California 501(c)(3) nonprofit public benefit corporation that is not organized for the private gain of any one person. Organized by the County under the CA Nonprofit Public Benefit Corporation Law for charitable purposes, and for the specific purpose of creating a board to act as the co-applicant for FQHC-LAL. |
| SJCC Board of Directors (SJCC Board) | Governing body of SJCC that meets the selection, composition, and governance requirements of Section 330 of the Public Health Services Act and the federal regulations as defined in HRSA's Bureau of Primary Health Care's Compliance Manual. |

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.

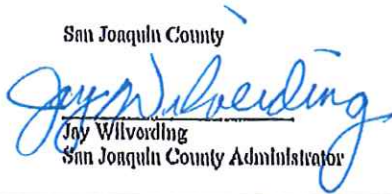
8. SEVERABILITY

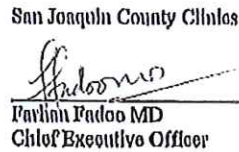
- a. If any term of the Agreement is found to be illegal, invalid or unenforceable under applicable law, such term shall be excluded to the extent of such illegality, invalidity or unenforceability; all other terms of this Agreement shall remain in full force and effect; and, to the extent permitted 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

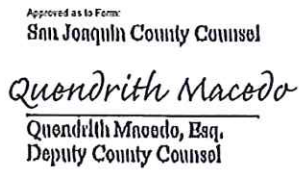
- a. This MOU, including any attachments, constitutes the entire agreement of the parties with respect to the matters addressed herein and supersedes all prior and contemporaneous representations, proposals, discussions, and communications, whether oral or in writing regarding said matters. In the event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

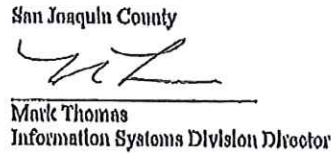
Approved as to Form
San Joaquin County Counsel

Quendrith Macedo, Esq.
Deputy County Counsel

San Joaquin County

Jeffrey Wolfkamp
Assistant Auditor-Controller

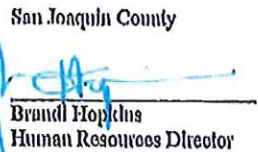
San Joaquin County

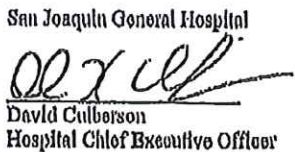
Marola Cunningham
General Services Director

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 |
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| <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> |

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| | 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 |

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| <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> |

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| <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> |

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| <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 |
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| <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.

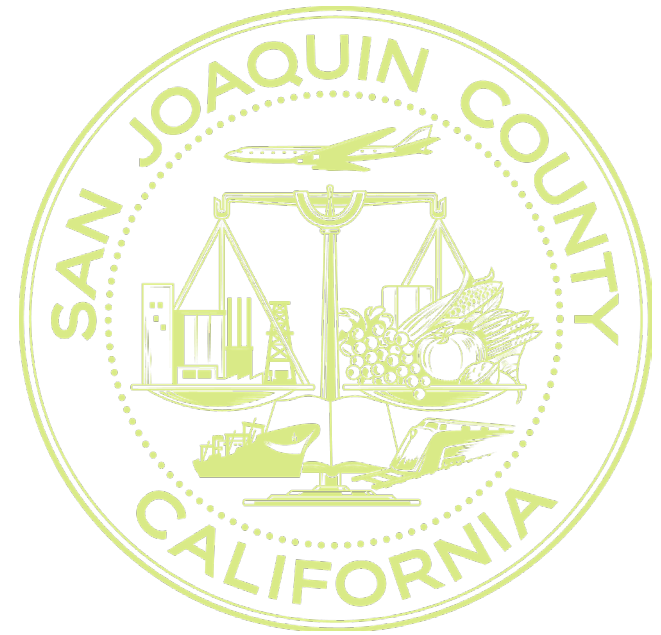
- SJGH represents and warrants that it is covered by a professional liability insurance policy (malpractice, errors and omissions) providing sufficient coverage against professional liabilities that may occur as a result of furnishing inpatient, outpatient, or emergency care services to SJCC patients 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 |



Greatness grows here.



Health Care Services Review Project Committee – Presentation of County’s Health Care System

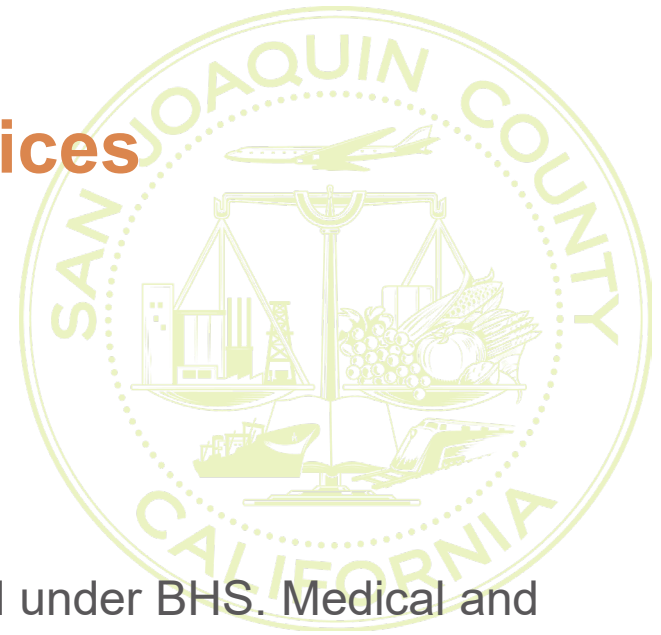
April 16, 2025

County's Key Goals



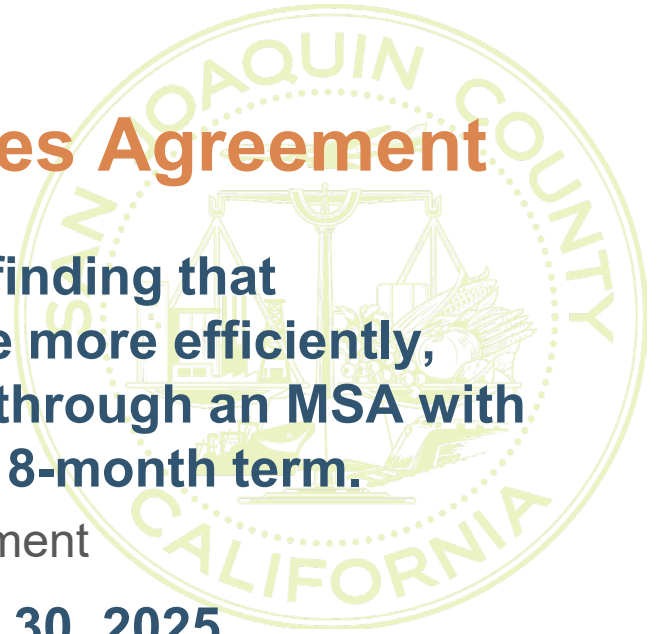
- **Facilitate the cooperative relationship between the County & SJCC and confirm County's responsibility as the HRSA designee over the County Health System.**
- **Provide aligned incentives between SJ Health, SJGH, and other County Departments to further the parties' mutual goal of providing quality health care services that are compliant with HRSA requirements.**
- **Broader and more effective delivery of health care in the County:**
 - SJGH
 - SJ Health
 - Health Care Services (HCS)
 - Health Plan of San Joaquin
 - Other County Departments
- **Overall focus on population and community health management.**
- **Position County Health system for future reimbursement models (alternative payment methods).**

Health Care Services



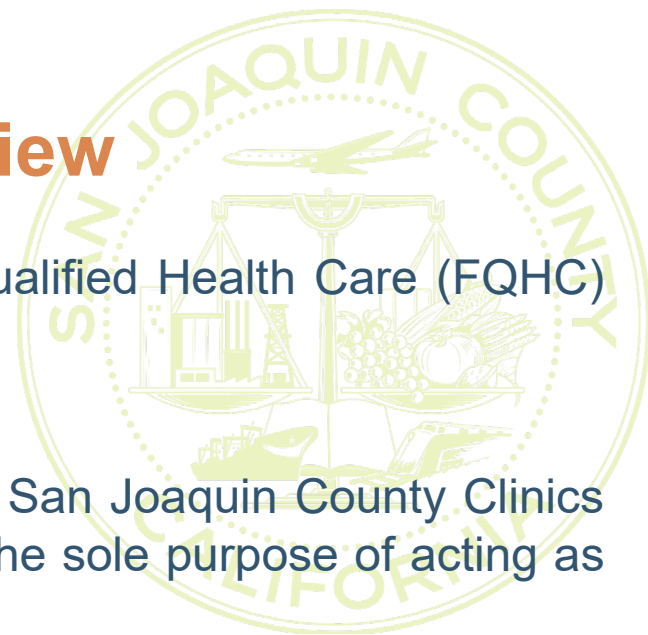
- **Behavioral Health Services**
 - Be Well Campus
- **Public Guardian/Conservator**
- **Correctional Health Services**
 - Mental Health Services supervision aligned under BHS. Medical and substance use services remain under CHS.
- **Emergency Medical Services**
- **Public Health Services**
- **Veteran's Services**
 - Potential Move
- **Office of Medical Examiner**

SJGH- Management Services Agreement



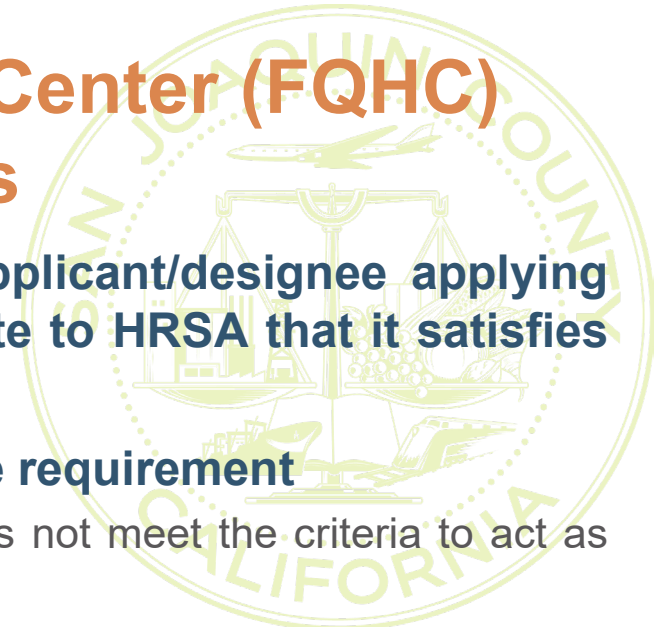
- **May 3, 2022: the Board made a special finding that management services at SJGH could be more efficiently, effectively, and economically provided through an MSA with CommonSpirit and approved an initial 18-month term.**
 - Focused on Quality and Financial Improvement
- **The current agreement expires on June 30, 2025.**
- **CAO recommending a three-year extension to the Board on May 13, 2025.**
 - Two minor additions: Quarterly meetings and efforts to jointly develop a Community Board of Advisors with delegated oversight regarding credentialing and quality.

SJ Health Overview



- 7 Primary Care Clinics, including Federally Qualified Health Care (FQHC) “look-alike”(LAL) centers.
- County is the designee of the FQHC LAL.
- Clinics are jointly operated by the County and San Joaquin County Clinics (SJCC), a 501(c)3. County created SJCC for the sole purpose of acting as the co-applicant.
- Co-Applicant Agreement governs the relationship between the parties.
- Health Resources Services Administration (HRSA), provides Federal oversight and approves FQHC eligibility.
- County Administration has expressed longstanding concerns about the effectiveness of SJ Health’s management since the 2021 Co-Applicant Agreement revisions.

Federally Qualified Health Center (FQHC) Requirements

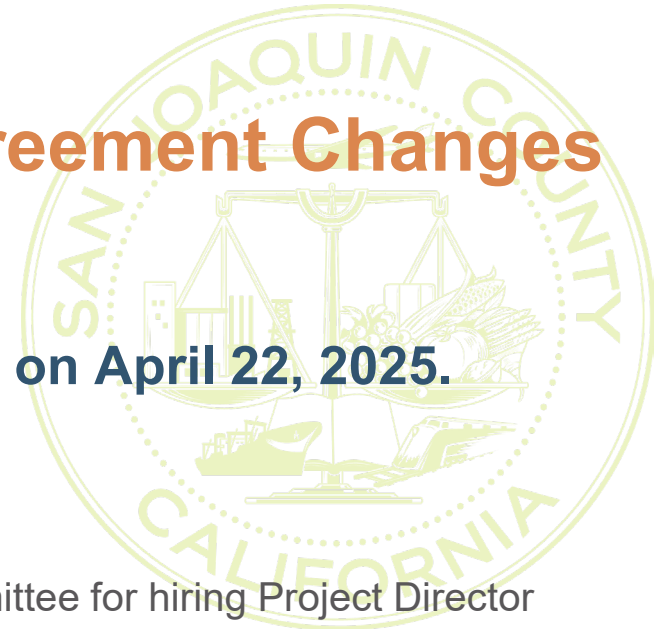


- **Public agencies (County) as the HRSA applicant/designee applying for look-alike designation must demonstrate to HRSA that it satisfies all requirements.**
- **Having a qualified Board of Directors is one requirement**
 - San Joaquin County Board of Supervisors does not meet the criteria to act as the governing board.
 - County delegates the function to San Joaquin County Clinics (SJCC) 501c(3) non-profit corporation. SJCC acts as the co-applicant to meet the governing criteria.
 - County created the corporation for the sole purpose of acting as the co-applicant.
- **The County is the HRSA designee and holds all assets related to SJ Health (buildings, equipment, employees).**
- **330 designees must meet the same criteria.**

HRSA's Recognition of Public Agencies

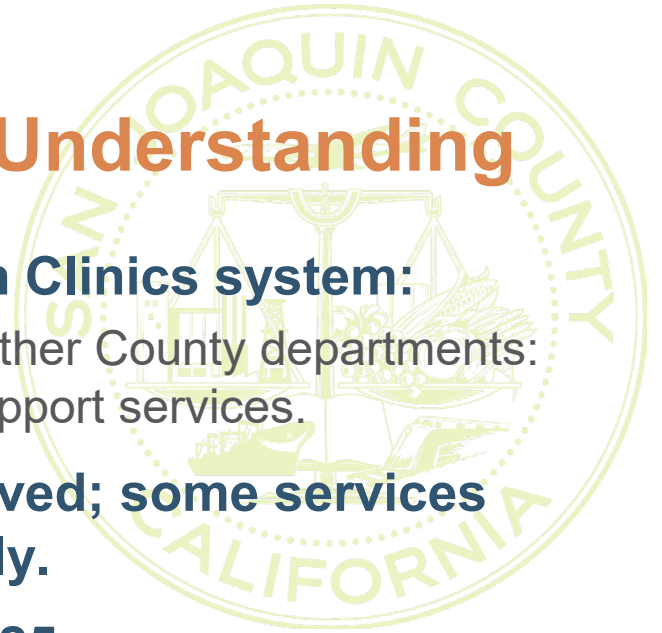
- **HRSA recognizes public agencies must comply with Federal, State and local laws that apply the individual public sector agency.**
- **HRSA Compliance Manual acknowledges this in multiple sections –**
 - *“in cases where a public agency is the recipient of the Health Center Program Federal award or designation and has established a co-applicant structure, the public agency may establish and retain the authority to adopt and approve policies that support financial management and accounting systems and personnel policies.”*
- This is the concern with the 2021 Co-Applicant Agreement; conflicting and confusing language infers SJ Health through SJCC may act outside of the County's policies.

Summary of Co-Applicant Agreement Changes



- **Approved by SJCC on April 9, 2025.**
- **Presenting to the Board of Supervisors on April 22, 2025.**
- **Structural Recommendations:**
 - Organize SJ Health under HCS
 - Eliminate Liaison Committee, creating a Search Committee for hiring Project Director
 - Eliminate References to the Project Review Committee
 - County authority to allocate & disperse supplemental funding (outside of HRSA's scope)
- **Clarifying Recommendations:**
 - Clarify County is HRSA designee
 - Require SJ Health to participate & inform the County regarding operations
 - Require clinical integration between HCS, SJ Health & SJGH
 - Clarify County fiscal & personnel policies apply
 - Simplify dispute resolution language and eliminate binding arbitration

SJ Health Memorandum Of Understanding



- **Covers various operations of the Health Clinics system:**
 - Scope of services provided by SJGH and other County departments: teaching services, patient transfers, and support services.
- **Once Co-Applicant Agreement is approved; some services outlined in the MOU may no longer apply.**
- **Term of 60 months; expires June 30, 2025.**
- **Self-renewing for an additional five years.**
- **CAO Office is process of working with affected departments to redesign the MOU.**

Supplemental Funding/Quality Incentive Program (QIP)



- **Public health care systems are eligible for Federal QIP funding based on quality measures.**
 - SJGH (County hospital) and SJ Health mutually are responsible for mutually obtaining high quality scores.
 - The County is not eligible for this funding without a public hospital.
- **QIP is outside of HRSA's scope.**
- **QIP is subject to Board of Supervisors' policy direction.**
- **SJCC Board may make recommendations regarding QIP through the Project Director/CEO and the County Administrator's Office.**
- **Currently MOU allocates 36% of QIP dollars earned to SJ Health.**

County's Key Goals

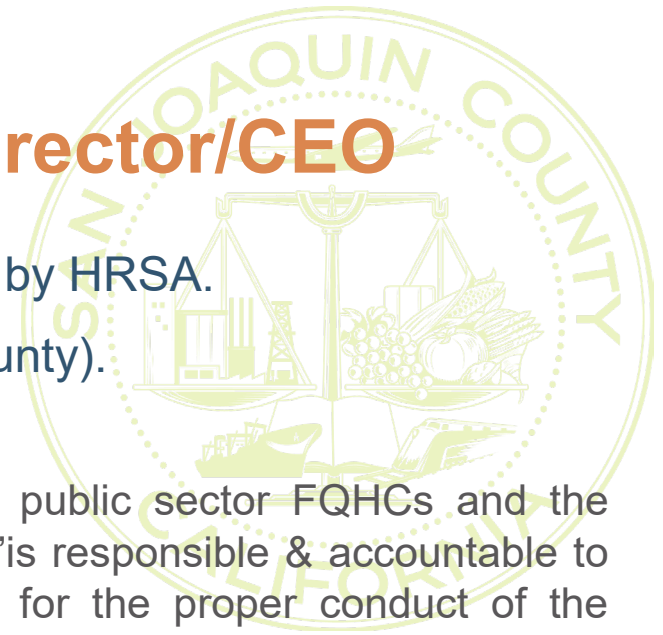


- **Provide aligned incentives between HCS, SJ Health, SJGH, and other County Departments to further the parties' mutual goal of providing quality health care services.**
- **Broader and more effective delivery of health care in the County:**
 - Quality
 - Credentialling
 - Integrated Services
 - Financial Performance
- **Overall focus on population and community health management.**
- **Position County Health system for future reimbursement models (alternative payment methods).**

Questions and Discussion



Health Center Project Director/CEO



- Term Project Director/CEO is the job title used by HRSA.
- Must be employed by the HRSA designee (County).
- Reports to the health centers governing board.
 - HRSA recognizes the unique requirements of public sector FQHCs and the need for the public agency to have oversight, “is responsible & accountable to officials of the recipient organization (County) for the proper conduct of the project, program or activity.”
- Public Agency Project Directors/CEOs must also adhere to the public agencies policies, rules and standards.
- Currently the Interim Project Director/CEO is directly employed by the County through a contract with AMN Leadership Solutions.

