

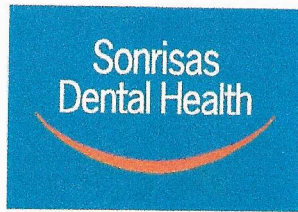
Meeting of the Board of Directors of Sonrisas Dental Health

January 18, 2018

SDH San Mateo Center Board Room

MINUTES

1. **CALL TO ORDER:** Chair Taverner called the meeting to order at 18:33 hours.
2. **ROLL CALL:** **Present:** Directors Taverner, Hinshelwood, Galligan, Macias, and Young.
Absent: Directors Cappel and Navarro.
Management: Dr. Bonnie Jue, Cheryl Fama, Dirk Alvarado
3. **Approval of Agenda:**
It was moved by Director Galligan, seconded by Director Hinshelwood, and approved unanimously to accept the agenda as presented. 5/0/0
4. **PUBLIC COMMENT:** None offered.
5. **APPROVAL of MINUTES:** Deferred.
6. **OLD BUSINESS:**
 - a. **IV Sedation Licensing Requirements:** Dr. Jue reported that she received a response with more questions today (January 18). Next step – Dr. Jue now has the name of the recipient for required forms and further questions and will submit responses, after consulting with Dr. Ricky Chan.
 - b. **FQHC Update:** Dr. Jue proposed we hold off on pursuing Gardner’s pediatric patients now due to risk of adverse selection and potential disruption for other SDH patients. A San Jose FQHC may be interested in sending patients; this will be explored further. No news from San Mateo County Health CFO on any response from the State on County’s request to partner with SDH. CFO Fama pursuing with County.
7. **FINANCIAL REPORT:** CFO Fama distributed and reviewed the P&L and Balance Sheet through November 30, 2017. She expressed high confidence in the gross and net revenues; however, the precise breakdown of write-offs vs. adjustments is still under review and part of the learning curve related to the Open Dental/ATD unique software



programming. November total Operating costs exceeded Net Income by \$133,000 and have averaged a negative run rate of \$135,000 for the fiscal year to date; without

depreciation and PHCD rent, that average drops to \$100,000/month. This was mitigated in November by \$105,000 in grant funds, \$75,000 from PHCD, and YTD a total of \$416,000 in grant funding. **Chair Taverner** asked for an explanation of why Indirect Costs continue to increase despite a reduction in Transition Costs. **CFO Fama** responded total indirect costs were \$8,000 higher than October due primarily to the new Director of Development and Special Projects, needed IT support to help with Open Dental transition, and cost of temporary accounting services.

November visits were 830; average YTD were 900. Ratio of insured to Denti-Cal/uninsured remains at 56%:44% resulting in an average loss per visit of \$160.00 in November and YTD average loss of \$152/visit. (Based on total centers' costs, direct & indirect, depreciation, and 430 rent). **CFO Fama** distributed a variety of 'dashboards' that graphically summarized income, costs, visits by center. The dashboard was well received by the Board. **CFO Fama** solicited feedback on preferred formats. **Chair Taverner** requested we include waiting times for appointments, number of new patients, and how they were referred to the Center. Also, that Patient Visits be compared with last year as bar charts.

8. OPERATIONS REPORT: Dr. Jue

- a. **Recruitment:** Two per diem dentists and two dental hygienists have been hired; credentialing in process.
- b. **Farm Workers** grant renewed at \$1,145/new patient, \$370/patient more than the prior contract. Commitment is to serve up to 115 unduplicated patients. Mobile visits start on Friday January 19 (already a quarter ahead of last year in starting) and are already booked through March.
- c. **1/1/18 Dental-Cal** changes, as understood at this time, suggest SDH Centers could be in for more losses. However, it will depend on mix of treatments; for example, for deep cleanings, income should be a wash.
- d. **Residency Program:** The Coastside dental residency will continue. New terms require a 5-day week operation. Staff is willing; residents will cover adding Fridays which keeps costs down; and, more patients can be served. Unfortunately, the UOP dental assistant rotation will need to be terminated as there is insufficient room and supervisory opportunity to participate in both.
- e. **New Patients:** **Dr. Jue** reported that have been a number of new patients, probably through insurance company referrals. SDH is seen as convenient, brand new, and with parking which gets good reviews.



- f. **Marketing Update: Mr. Alvarado** reported – Social media is being tracked daily; there is better control of Yelp, Instagram and Facebook usage; website donor

button has been fixed. Laurie Kreshnar, Marketing consultant, is promoting Dr. Jue on LinkedIn for increased ambient awareness. Flyers have been developed for *Get A Smile, Give a Smile* campaign, with others for Special Needs and Seniors in development. CFO Fama noted the next PHCD newsletter, mailed out to 40,000 households, will feature SDH; and Dr. Jue and Chair Taverner have been selected as PHCD's Community Heroes to be recognized at PHCD's 10th Annual Community Partners Celebration on February 7th. All are invited.

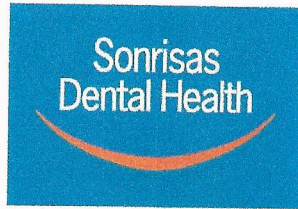
- g. **Fund Raising:** The fall Coastside campaign netted \$5,000; next is the Coastside Gives campaign on May 1st. First meeting is on February 1 at the HMB Brewery. Heidi Wong, San Mateo's new grant writer is now on board. The initial coordination meeting was held on January 8. Both new and existing grant writers are contributing to the Grant Status report. The plan going forward is to coordinate and standardize grant requests together, not siloed by Center. The goal is to submit 3-6 requests per month.

Director Hinshelwood reported on the December 14 Fundraising Committee with his new recruits who are bringing strategic thinking and maturity to the discussion. They are experienced, have been successful in major campaigns, 'loved the San Mateo facility', are committed to the cause, and offered some interesting perspectives on the challenge created by the private/public model. Comments offered included "Do one thing and do it well"; "all volunteer dentists create a better philanthropic opportunity", and "People wouldn't give money if we also treat insured patients". After robust discussion, it was agreed to try and schedule a publicly noticed Fundraising Committee in the next couple of weeks and encourage full board attendance to meet the new members and discuss their perspectives in more detail.

9. NEW BUSINESS:

Management Services Agreement: *It was moved by Chair Taverner, seconded by Director Hinshelwood and approved unanimously to renew the Management Services Agreement between SDH and PHCD from January 1 – December 31, 2018. 5/0/0*

- a. **Proposal to Hire a Fulltime Accountant:** CFO Fama referred to her recommendation document in the Board packet that identified the cost benefit



over Accountemp staffing, the inefficiencies created by the turnover of temporary help, the impact of lack of ownership on establishing consist and clear operating procedures, and the need for inhouse expertise given the complexity

of the Centers' model. **Chair Taverner** expressed concern about adding more fixed overhead costs given the negative run rate and questioned if part-time or a temporary fulltime would be a better approach. It was agreed to do more analysis.

10. OTHER BUSINESS:

- a. **Mission Moment:** **Director Macias** shared that the past practice at Coastside was to share a "mission moment" in the Dental Director's report at each Board meeting, with staff sharing a poignant example of how Sonrisas was helping patients in need (with pictures as appropriate). It was agreed that would be a nice way to reflect on how SDH really does make a difference to those in need.

11. ADJOURNMENT: There being no further business, the meeting was adjourned by **Chair Taverner** at 20:30 hours.

Written by Cheryl A. Fama, CFO

A handwritten signature in blue ink, appearing to read "Nigel Taverner", is written over a horizontal line.

Approved: Nigel Taverner, Board Chair