

BOARD OF DIRECTORS

MEETING MINUTES

AUGUST 16, 2018

1. **Call to Order:** The meeting was called to order by Chair Taverner at 19:07 hours.
2. **Present:** Chair Taverner and Directors Galligan, Hinshelwood, Macias, Navarro, and Young. Absent: Director Cappel. Also present: CEO Jue, CFO Fama, PHCD CBO Yee and Executive Assistant Santos
3. **Mission Moment: CEO Jue** shared about a patient who appreciates Sonrisas mission and would like to volunteer at the San Mateo Center.
4. **Consent Calendar: CEO Jue** asked to pull the Internal Control Policy as it was not distributed with the meeting materials.
It was moved by Chair Taverner and seconded by Director Galligan to approve the Consent Calendar as presented.
5. **Public Comment:** No comments were offered.
6. **Approval of Agenda:**
Director Galligan moved, Director Hinshelwood seconded and the motion to approve the agenda as distributed was unanimously approved. 6/0/0
7. **Financial Reports for May and YTD FY 2018: Ms. Yee** highlighted key points: May 2018 had the highest visit log of the year with 1,032 visits with the majority being mission visits and therefore, no improvement in net income. Grant funding included \$33K for Denti-Cal incentives and \$73,000 from PHCD. Expenses were slightly higher than prior months due to two additional business days and the new fulltime accountant. Ms. Yee reported that they are in the middle of reconciliation and year-end adjustments and expect to close the books for the fiscal year by the end of this month. The cleanup of Accounts Receivable at Coastside is still in process and should be ready for the start of the audit in early September.

CEO Jue reported that in May, June and July there were a few insurance payments that were unpaid due to a provider NPI discrepancy in the Clearing House stage. It since has been fixed and payments are now coming in as expected. The rest of the outstanding accounts the last year have been from non-collection. Around \$70K is owed by patients (non-collection). Director Navarro pointed out that we are entitled to refuse to treat perennial non-payers. Pat has worked with the Coastside office to train the administrative staff to collect payments ant the time of service. Sonrisas offers no credit plans other than Care Credit. A high number of accounts were overdue, long before we acquired the office. We collected on many accounts in June and July. Around \$70K is owed by patients (non-collection). We will report more information on account receivables next month.

Audit: The onsite audit work will occur the week of September 4th starting at PHCD and then coming to the San Mateo Center. In the past, the District office did not have Sonrisas on its books as it was a funding recipient organization only. Now, given the District's role as appointing the majority of the Board members and serving as a primary funder, the Auditor advised that it must be reflected in the District's financial reports. This is the reason for the single audit at both organizations.

8. New Business – Action Items

A. Report on July 16, 2018 Board Retreat – Chair Taverner

- 1) **Fee Scale and Patient Mix – Chair Taverner** proposed (as developed in the workshop sessions) to (A) revise the Affordable Scale plan from 10, 20, 30% to 15, 30, 45% (for Coastside Center), (B) unify Coastside and San Mateo Centers' Fee Schedules to create a single schedule with a 10% increase in the current San Mateo fee schedule applied. The third item discussed was (C) whether or not to keep Dental PPO's in the practice.

Further analysis shows that PPO dental insurance does contribute against indirect costs and allows flexibility in staffing. We will continue to recruit PPO plan patients.

Director Macias moved, Director Galligan seconded and the motion to approve the changes to the fee scale and continue to accept PPO insurance was passed unanimously. 6/0/0

- 2) **Mission Statement** – Created at July 16th Board Retreat:

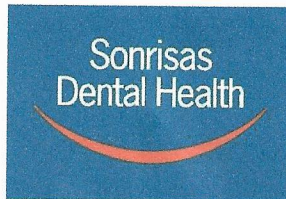
“Sonrisas Dental Health, Inc is a non-profit dental center dedicated to providing access to quality dental care and oral health education to our community. We provide these services with dignity, respect and compassion.”

Director Hinshelwood moved, Director Young seconded and the motion to approve the mission statement as presented passed unanimously. 6/0/0

- 3) **Fundraising** – It was proposed that each Board Member is expected to give or get \$2,000 in donations or contributions annually.

Director Young moved, Director Hinshelwood seconded and the motion to approve the Board policy that each Director will provide \$2,000 of annual funding support was passed unanimously. 6/0/0

- 4) **Report Out from Closed Session – Chair Taverner** reported that the session focused on the CEO's Performance Review and recommendations to address the workload facing the CEO. Concern was expressed for her health, about her work hours and impact on balance of time with family, and urgent desire to reduce risk of burn-out. Chair Taverner opened the floor to the directors who all offered words of appreciation for CEO Jue's commitment,



passion, and contributions since taking over the administrative leadership of the Centers. Chair Taverner then shared the work plan he and CEO Jue developed that includes additional staff support and making time for CEO Jue to attend a leadership retreat-type program. The staffing changes proposed will impact the operating expenses. After discussion, it was agreed to accept the plan and revise the year-end net income target from ~\$30,000 loss to \$150,000 loss (after non-cash expenses deducted).

Chairman Taverner moved, Director Navarro seconded and it was approved unanimously to accept the proposed work plan and the revised year-end net income target. 6/0/0

9. Old Business

A. County FQHC Partnership – CFO Fama has spoken twice since the last board meeting with David McGrew, CFO of San Mateo County. He thinks he can “fast-track” this and verbally offers his opinion that this is a good approach for both organizations and supports moving forward. He committed to providing a draft contract two weeks ago and it still has not been received. CFO Fama will stay on this as it is critical to SDH.

B. Accounts Receivables and Write-offs – CEO Jue discussed that the reason there is a high number of receivables at the Coastside office is they are not collectable. The staff is putting forth great effort to try to collect on past balances and also, collect “up-front” now. The number of Write-offs coincide with the accounts that have not or unable to collect from – primarily very old accounts. Accounting will have a better account of these numbers in the September board meeting.

C. Samaritan House Action on Continuation – CEO Jue reported on the pilot program (five days) with Samaritan House allows Samaritan House staff to treat patients at the Sonrisas Dental Health San Mateo Center, so freeing up space over there for them to see additional adult patients. Some of their patients have subsequently referred over their children to be seen as patients at SDH. (Samaritan House is only able to treat adults. Many adults that don’t have Denti-Cal, but have children that do, so we are able to welcome them to our practice). Patients are scheduled for 3 hours each day. So far, four out of five days have been completed for the pilot program. Dr. Rideau and his assistant fit in well and their patients seem happy to be able to be treated in our clinic. The relationship with Samaritan House has started off well. Dr. Jue recommended to continue this program indefinitely.

Chairman Taverner moved, Director Navarro seconded and it was approved unanimously to continue collaborative program with Samaritan House. 6/0/0

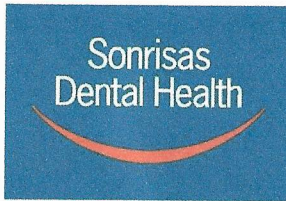
D. CA Wellness Grant Award – CFO Fama explained the payments and progress reports schedule of the newly awarded CA Wellness grant. This specific grant is split up into two different payments over the course of two years because of the fact there was no FY ‘17 Audit due to the timing of the ownership change.

10. Fundraising: Director Hinshelwood explained distinction between the Hope Fund and Education Outreach Fund. The Hope Fund is traditionally used to reimburse the center when treating people in need. Content has been put together to create an online link to make giving easier. We are working with Paul and Laurie to create this design. There was discussion on how to name and break down the different giving levels to create value, so that donors can see how they are impacting someone's life with a gift of dental treatment (i.e., what age groups to serve with mobile dental program, decide whether recipients need to be pre-screen, etc.). This can be further discussed at next board meeting.

- A. Raffle Wrap Up – CEO Jue** reported that the final count of sold raffle tickets was 393 tickets. We are still putting together a formal accounting report for the revenue total. Paul and Laurie announced the raffle winners online. All prizes are still being picked up/delivered.
- B. Review of Grant Activity – Ms. Yee** added a new column on our existing Grant Matrix to clarify which Grants are in the pipeline "To Be Submitted" in the future.
- C. Development Director Recruitment – CEO Jue** commented on the Position Description for a part time Development Director as distributed in the meeting materials.
Chair Taverner moved, Director Hinshelwood seconded and the motion to approve the position description as written passed unanimously. 6/0/0
- D. Annual Report – Director Hinshelwood and CEO Jue** will complete final draft by next board meeting. We will remove local partners and leave/add major supporters/sponsors. This bi-fold will also be posted on our website.

11. Progress against Other Initiatives

- A. IV Sedation – Update: CEO Jue** reported that we finally received approval from the California Department of Public Health to provide IV Sedation services at the San Mateo Center. We are working with Dr. Ricci Chan to develop a business plan to recruit and contract dental specialists to perform dental treatment, including a mobile anesthesiologist. We are currently working with Patterson Dental Supply to build out the new operatory designated for sedation procedures, according to our budget. It was discussed that having a separate name (for credentialing) the IV Sedation part of the clinic could cause problems in accounting.
- B. Marketing and Business Development – Paul Freiberger and Laurie Kretchmar** of Content Marketing Place continue to market Sonrisas Dental Health, Inc to the public and community. We are continuously reaching out to various companies and agencies to obtain referrals. Marketing to companies such as Barracuda Networks, AlienVault and other IT companies in our community are a great way to network and become visible in such a large industry.
- C. Outreach Plan (Oral Health Strategic Plan, Screenings, and Education)**
Sonrisas Dental Health is planning to provide oral health presentations and screenings to Kindergarten and First Grade students, particularly to those in low-



income schools and in the Coastside region, this upcoming academic year. San Mateo County Health has offered to provide all the supplies and equipment for providing dental sealants to school students as part of a County Health program.

D. Residency Program – CEO Jue reported that for academic year 2018/19, NYU Langone Residency Program is requiring Sonrisas Dental Health to facilitate two residents instead of just one. Since the Coastside Center does not have the space to facilitate 2 residents, NYU requested the San Mateo Center to be credentialed as a second site to accommodate the second resident. However, because of staffing challenges, the San Mateo Center cannot guarantee a full-time supervising dentist and assistant for a resident as the residency program guidelines mandate. Therefore, even though the board values the program greatly, it regretfully authorized Dr. Jue to not pursue getting the San Mateo Center credentialed to accommodate a second resident in the NYU Langone Residency Program at this time.

12. Board Membership: Director Young stated she does not have anything to report currently.

13. Other Business: CEO Fama reported that the board of the Peninsula Health Care District had extended the forbearance of the deferment of the repayment of the rent and loan from January through the end of July; but they recognize that SDH Centers may not be ready to pay that, so the board did approve an additional 6-month forbearance extension.

14. Suggested agenda items for September meeting

- a. Revised Budget approved at September Board meeting

15. Adjournment

There being no further business, the meeting was adjourned by Chair Taverner at 21:20 hours.

Written by Teresa Santos, Executive Assistant

Approved: Nigel Taverner, Board Chair

Approved: Clyde Hinshelwood, Secretary