



Hazel Hawkins
MEMORIAL HOSPITAL

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, OCTOBER 28, 2021
5:00 P.M. – Zoom Meeting
(TO BE HELD DURING COVID-19 EMERGENCY)**

This meeting will be held via teleconference only in order to reduce the risk of spreading COVID-19 and pursuant to the Governor's Executive Orders N-25-20 and N-29-20 and the County of San Benito Public Health Officer's Safer at Home Order (issues March 31, 2020). All votes taken during this teleconference meeting will be by roll call vote, and the vote will be publicly reported.

HOW TO VIEW THE MEETING: No physical location from which members of the public may observe the meeting and offer public comment will be provided. Members of the public may participate in the public meeting via the Zoom link below.

HOW TO PARTICIPATE BEFORE THE MEETING: Members of the public may submit email correspondence to lgarcia@hazelhawkins.com up to two (2) hours before the meeting begins.

HOW TO PARTICIPATE DURING THE MEETING: Members of the public may also speak during the meeting through the Zoom application during the public comment time period as noticed on the agenda. Comments are limited to three (3) minutes.

**Phone Number: 1+ (669) 900-6833
Meeting ID: 931 6668 9955
Passcode: 564382**

AGENDA

Presented By

1. **Call to Order/Roll Call** Hernandez
2. **Presentation of Audited Financial Statements for FYE 06/30/2021** (pgs. 1-36) Robinson
3. **Closed Session** (pgs. 37-39)
(See Attached Closed Session Sheet Information)
4. **Reconvene Open Session/Closed Session Report**
5. **Public Comment**
This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on matters within the jurisdiction of this District Board which are not otherwise covered under an item on this agenda. Written comments for the Board should be provided to the Board clerk for the official record. Board Members may not deliberate or take action on an item not on the duly posted agenda.

Hernandez

6. **Board Resolution No. 2021-09** (pgs. 40-41)

Consider Approval of PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR'S STATE OF EMERGENCY DECLARATION ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE PERIOD OCTOBER 28 THROUGH NOVEMBER 26, 2021

- Report
- Board Questions
- Motion/Second
- Public Comment
- Action/Board Vote-Roll Call

7. **Consent Agenda—General Business** (pgs. 42-72)

(A Board Member may pull an item from the Consent Agenda for discussion.)

Hernandez

- A. Minutes of the Meeting of the Board of Directors, September 23, 2021.
- B. Minutes of the Special Meeting of the Board of Directors, October 12, 2021.
- C. Policies (New, Revision, Reviewed)
 - Patient Complaints and Grievances
 - New Born Circumcision
 - Standard of Care – Unstable Newborn
 - Performance Improvement Program
 - Pain Management
 - Non-Stress Test
 - Patient Chart Completed & Locked
 - Universal Procedure In The Clinics
 - Informed Consent
 - Current Vaccine Information Sheet
 - 5150/Suicide Assessment
 - Cervical Spine Clearance

- Motion/Second
- Public Comment
- Action/Board Vote-Roll Call

8. **Report from the Medical Executive Committee** (pgs. 73-78)

A. Medical Staff Credentials:

- Report
- Board Questions
- Motion/Second
- Public Comment
- Action/Board Vote-Roll Call

B. Medical Staff Synopsis.

- Credentialing by Proxy Process

C. Consider Approval for Medical Staff Telemedicine Credentialing Policy

- Report
- Board Questions
- Motion/Second
- Public Comment
- Action/Board Vote-Roll Call

Bogey

9. **President/Chief Executive Officer (CEO)** (pgs. 79-96) Hannah
- Board Education – Deferred until November
 - A. CEO Comments on Officer/Director Reports
 - Chief Operating Officer/VP Human Resources
 - Provider Services & Clinic Operations
 - Skilled Nursing Facilities Reports (Mabie Southside/Northside)
 - Home Health Care Agency
 - Laboratory
 - Marketing
 - Hazel Hawkins Memorial Hospital Auxiliary/Volunteer Services
 - Foundation Report
 - B. CEO Written Report and Verbal Updates
10. **Report from the Finance Committee** (pgs. 97-150) Robinson
- A. **Finance Committee Minutes**
Minutes of the Meeting of the Finance Committee, October 21, 2021.
 - B. **Finance Report/Financial Statement Review**
 - 1. Review of Financial Report for September 2021.
 - 2. **Financial Updates**
 - A. Finance Dashboard
 - B. Bad Debt (Uncompensated Care) – October 2021 write-off
 - C. CHFFA Loan Discussion
 - D. San Benito Health Care District Election Boundaries and Demographics
 - E. Provider Recruitment Pro forma
 - F. Governmental Accounting Standards Board (GASB) Statement 68-FY 21
11. **Recommendations for Board Action** Robinson
- A. **Capital:**
 - a. **Consider Approval of Meditech Software – Patient Portal.**
 - Report
 - Board Questions
 - Motion/Second
 - Public Comment
 - Action/Board Vote-Roll Call
12. **Report from the Facilities Committee** (pgs. 151-153) Robinson
- A. Minutes of the meeting of the Facilities Committee Meeting, October 21, 2021.
13. **Adjournment**
The next Regular Meeting of the Board of Directors is scheduled for **Thursday, November 18, 2021**, at 5:00 p.m., a virtual meeting via Zoom (to be held during COVID-19 Emergency).

The complete Board packet including subsequently distributed materials and presentations is available at the Board Meeting and in the Administrative Offices of the District. All items appearing on the agenda are subject to action by the Board. Staff and Committee recommendations are subject to change by the Board.

Notes: Requests for a disability-related modification or accommodation, including auxiliary aids or services, to attend or participate in a meeting should be made to District Administration during regular business hours at 831-636-2673. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

***** To be distributed at or before the Board meeting**

Audited Financial Statements
SAN BENITO
HEALTH CARE DISTRICT
dba: HAZEL HAWKINS MEMORIAL HOSPITAL
June 30, 2021

Audited Financial Statements

SAN BENITO HEALTH CARE DISTRICT

June 30, 2021

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Management's Discussion and Analysis

SAN BENITO HEALTH CARE DISTRICT

June 30, 2021

The management of the San Benito Health Care District (the Hospital) has prepared this annual discussion and analysis in order to provide an overview of the Hospital's performance for the fiscal year ended June 30, 2021 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments*. The intent of this document is to provide additional information on the Hospital's historical financial performance as a whole in addition to providing a prospective look at revenue growth, operating expenses, and capital development plans. This discussion should be reviewed in conjunction with the audited financial statements for the fiscal year ended June 30, 2021 and accompanying notes to the financial statements to enhance one's understanding of the Hospital's financial performance.

Financial Highlights

- Total assets and deferred outflows of resources decreased by \$2,960,403 over the prior fiscal year. Total operating cash and cash equivalents decreased by \$3,118,562 over the prior year (see the *Statements of Cash Flows* for changes). Net patient accounts receivable increased by \$3,759,198 which resulted in net days in patient accounts receivable of 36.14 at June 30, 2021 as compared to 31.38 in the prior year.
- Current assets decreased by \$75,733 while current liabilities increased by \$3,186,154 over the prior fiscal year. The current ratio was 1.75 as compared to 2.02 for the prior year.
- The operating loss was \$(3,571,634) for fiscal year 2021 as compared to an operating loss of \$(9,506,545) for the prior year, representing an increase of \$5,934,911 in operations due mainly to the impact of COVID-19 in the Spring of 2021.
- The increase in net position was \$294,627 for the current fiscal year as compared to a decrease in net position of \$(5,462,376) for the prior fiscal year.
- Operating revenues increased by \$21,474,751 from the prior year due to increased supplementals, mainly as a result of COVID-19. Operating expenses increased by \$15,539,840 from the prior year, again due to the pandemic.
- The Hospital received in excess of \$858,091 in Stimulus payments. However, a total of \$3,671,885 was recorded as income in FY 2021 as compared to \$5,653,367 in FY 2020.
- The Hospital realized a \$184,115 additional net pension expense for the year due the continued affects of GASB 68 involving the defined benefit pension plan.

Management's Discussion and Analysis (continued)

SAN BENITO HEALTH CARE DISTRICT

Volumes

- Acute patient days were 6,176 for fiscal year 2021 as compared to 4,267 for the prior year. The average length of stay increased from 2.84 days in fiscal year 2020 to 3.43 days in fiscal year 2021.
- The Northside skilled nursing facility had an average daily census (ADC) of 36.53 for the fiscal year 2021, equaling a total of 13,333 patient days as compared to 15,576 days (ADC of 42.56) for the prior year.
- The Mabie skilled nursing facility had an ADC of 38.63 for the fiscal year 2021, equaling a total of 14,101 patient days. The prior year ADC was 43.86 for a total of 16,052 patient days.
- Surgery cases for the fiscal year 2021 were slightly lower than the prior year. There were 1,977 cases as compared to 2,517 cases for the prior fiscal year. The decrease in surgery cases was caused by the State of California ordering elective cases be put on hold during the COVID-19 pandemic.
- There was an increase in outpatient visits; 156,667 in the fiscal year 2021 as compared to 146,392 for the prior fiscal year.
- There was an increase in emergency room visits; 22,482 in the fiscal year 2021 as compared to 20,507 for the prior year.
- There was an increase in rural health care clinic visits; 47,474 visits in the year 2021 as compared to 45,897 visits for the prior year as the Hospital continues to operate five rural health care clinics.
- Home health care visits decreased to 6,498 in the year 2021 as compared to 7,147 in the prior year.

Cash and Investments

For the fiscal year ended June 30, 2021, the Hospital's operating and board designated cash and investments totaled \$18,776,057 as compared to \$21,900,654 in fiscal year 2020. At June 30, 2021, days cash on hand were 49.12 as compared to a bond covenant of 30 days cash on hand. At June 30, 2020, days cash on hand were 65.06. The Hospital maintains sufficient cash and cash equivalent balances to pay all short-term liabilities.

Current Liabilities

As previously noted, current liabilities of the Hospital increased by \$3,186,154. Changes in the current liability categories were: (1) current maturities decreased by \$70,000; (2) accounts payable and accrued expenses increased by \$152,843; and (3) accrued payroll and related liabilities increased by \$3,103,311 due to the timing of the payroll payment dates from one year end to the other and the federal payroll tax deferral program.

Management's Discussion and Analysis (continued)

SAN BENITO HEALTH CARE DISTRICT

Capital Assets

There were \$3,614,068 of new additions and transfers of construction-in-progress costs to capital assets during the year. Certain capital projects were completed and came "on-line" or put into service. Depreciation and amortization expense for the year was \$4,004,533 as compared to \$4,152,450 for the prior year. The Hospital has \$425,000 of remaining costs in construction in progress at year end with an estimated cost of approximately \$2.2 million left to complete all projects.

Gross Patient Charges

The Hospital charges all its patients equally based on its established pricing structure for the services rendered. Acute inpatient and skilled nursing gross patient charges for the year increased by \$29,241,417 due to changes in volumes from the prior year. The change in volumes was attributed to COVID-19.

The Hospital also experienced increases in the outpatient areas as gross charges increased by \$8,389,965. These outpatient increases were again due mainly to volume increases in outpatient visits and related outpatient ancillary service areas.

Deductions From Revenue

Deductions from revenue are comprised of contractual allowances and provisions for bad debts. Contractual allowances are computed deductions based on the difference between gross charges and the contractually agreed upon rates of reimbursement with third party government-based programs such as Medicare and Medi-Cal and other third party payors such as Blue Cross.

Contractual allowances, traditional charity care, the provision for bad debts, and other discounts for fiscal year 2021 and fiscal year 2020 were \$204,500,015 and \$190,909,314, respectively. The increase in these deductions from revenue continues to be affected by State supplemental payments as well as COVID-19 relief payments during the fiscal year. Deductions from revenue (contractual allowances, provision for bad debts, charity, etc.) as a percentage of gross patient charges were 61.18% for fiscal year 2021 as compared to 64.36% for prior fiscal year. The overall decrease in the percentage is related to the supplemental program revenues and the pandemic relief payments as previously mentioned.

Net Patient Service Revenues

Net patient service revenues are the resulting difference between gross patient charges and the deductions from revenue. Net patient service revenues increased by \$24,040,681 in fiscal year 2021 over the prior year due to the issues already mentioned.

Management's Discussion and Analysis (continued)

SAN BENITO HEALTH CARE DISTRICT

Critical Access Designation

During the prior fiscal years, the acute hospital's average daily census was between 16 to 16.5. Therefore, the Hospital decided to apply for certification as a Critical Access Hospital (CAH). Effective March 26, 2020, CMS designated the Hospital as a CAH. This change in designation has increased Medicare funding and the reimbursement to the Hospital substantially during the year.

Operating Expenses

Total operating expenses were \$141,869,134 for fiscal year 2021 compared to \$126,329,294 for the prior fiscal year, an increase of \$15,539,840. The 12.3% increase is due primarily to:

- A \$4,883,804 increase in salaries, wages and benefits. Full time equivalents (FTE's) decreased from 529.50 in fiscal year 2020 to 486.55 in fiscal year 2021 and salaries and benefits per FTE went from \$144,253 per FTE in 2020 to \$168,630 per FTE in 2021. Registry expense increased from \$2,647,966 in 2020 to \$8,863,777 in 2021.
- Other operational expense changes experienced modest increases and decreases and were somewhat comparable with prior year expenses. Increases were generally due to a combination of volume changes and the pandemic.

Economic Factors and Next Fiscal Year's Budget

The Hospital's board approved the fiscal year ending June 30, 2022 budget at a board meeting in the Spring of 2022. For fiscal year 2022, the Hospital is budgeted to increase net position by \$454,901. The increase is due to several assumptions:

- Inpatient volumes were budgeted to remain consistent with the prior year. Outpatient volumes were estimated to increase slightly. Patient rate charges were also slated to increase slightly at the acute facility.
- Contractual allowances are budgeted to remain fairly consistent with the prior year.
- Operating expenses are expected to increase at a higher percentage than revenues. The cost for nursing and other medically trained staff increases at a higher rate than the increase in net revenue. The cost of supplies such as pharmaceuticals is increasing at a higher rate than net charges.

In order to increase the number of inpatients at the acute facility, the Hospital is continuing its search for physicians and specialists. New primary care physicians are being recruited in order to increase outpatient referrals.

JWT & Associates, LLP

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Report of Independent Auditors

The Board of Directors
San Benito Health Care District
Hollister, California

We have audited the accompanying financial statements of the San Benito Health Care District, *dba* Hazel Hawkins Memorial Hospital (the Hospital) which comprise the statements of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Hospital's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, except for the matters discussed above, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital at June 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Supplementary Information

Management's discussion and analysis is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement on the bond covenant requirements is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2021, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control over financial reporting and compliance.

JW7 & Associates, LLP

Fresno, California
October 28, 2021

Statements of Net Position

SAN BENITO HEALTH CARE DISTRICT

	June 30	
Assets	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 18,508,626	\$ 21,627,188
Restricted trust funds available for current debt service	2,579,517	2,681,463
Patient accounts receivable, net of allowances	12,846,154	9,086,956
Other receivables	2,536,893	1,762,372
Estimated third party payor settlements	1,814,519	3,166,143
Inventories	2,844,435	2,793,341
Prepaid expenses and deposits	<u>504,949</u>	<u>593,363</u>
Total current assets	41,635,093	41,710,826
Assets limited as to use	161,981	1,469,432
Capital assets, net of accumulated depreciation	58,388,891	58,888,801
Other assets	<u>642,878</u>	<u>642,878</u>
Total assets	100,828,843	102,711,937
Deferred outflows of resources	<u>2,103,038</u>	<u>3,180,347</u>
	<u>\$102,931,881</u>	<u>\$105,892,284</u>
Liabilities		
Current liabilities:		
Current maturities of debt borrowings	\$ 2,360,000	\$ 2,430,000
Accounts payable and accrued expenses	10,775,010	10,622,167
Accrued payroll and related liabilities	<u>10,663,574</u>	<u>7,560,263</u>
Total current liabilities	23,798,584	20,612,430
Estimated long-term third party payor settlements	8,357,766	10,485,474
Long-term pension liabilities	12,243,918	12,855,495
Debt borrowings, net of current maturities	<u>38,003,842</u>	<u>41,705,741</u>
Total liabilities	82,404,110	85,659,140
Net position (deficit)		
Invested in capital assets, net of related debt	20,648,891	16,308,801
Restricted, by contributors and indenture agreements	2,474,066	3,877,430
Unrestricted (deficit)	<u>(2,595,186)</u>	<u>46,913</u>
Total net position	<u>20,527,771</u>	<u>20,233,144</u>
	<u>\$102,931,881</u>	<u>\$105,892,284</u>

See accompanying notes and auditor's report

Statements of Revenues, Expenses and Changes in Net Position

SAN BENITO HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2021</u>	<u>2020</u>
Operating revenues		
Net patient service revenue	\$129,750,912	\$105,710,231
Other operating revenue	<u>8,546,588</u>	<u>11,112,518</u>
Total operating revenues	138,297,500	116,822,749
Operating expenses		
Salaries and wages	51,675,997	48,997,153
Employee benefits	30,371,736	28,166,776
Registry	8,863,777	2,647,966
Professional fees	16,613,614	15,596,203
Supplies	12,451,021	10,942,052
Purchased services and repairs	12,387,120	10,868,872
Utilities and phone	1,933,180	1,662,824
Building and equipment rent	1,926,957	1,877,179
Insurance	646,138	566,823
Depreciation and amortization	4,004,533	4,152,450
Other operating expenses	<u>995,061</u>	<u>850,996</u>
Total operating expenses	<u>141,869,134</u>	<u>126,329,294</u>
Operating income (loss)	(3,571,634)	(9,506,545)
Nonoperating revenues (expenses)		
District tax revenues	4,216,671	3,942,242
Investment income, net of unrealized gains and losses	128,783	176,578
Interest expense	(1,659,516)	(1,817,826)
Grants, contributions and other gains and losses	1,184,281	592,865
Other non-operating revenues	<u>1,469</u>	<u>1,178,437</u>
Total nonoperating revenues (expenses)	<u>3,871,688</u>	<u>4,072,296</u>
Excess of revenues over expenses	300,054	(5,434,249)
Other increases (decreases) in net position	<u>(5,427)</u>	<u>(28,127)</u>
Net increase (decrease) in net position	294,627	(5,462,376)
Net position at beginning of the year	<u>20,233,144</u>	<u>25,695,520</u>
Net position at end of the year	<u>\$ 20,527,771</u>	<u>\$ 20,233,144</u>

See accompanying notes and auditor's report

Statements of Cash Flows

SAN BENITO HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from patients and third-parties on behalf of patients	\$125,215,630	\$113,814,397
Cash received from operations, other than patient services	7,772,067	10,865,475
Cash payments to suppliers and contractors	(54,057,387)	(42,201,220)
Cash payments to employees and benefit programs	<u>(81,125,317)</u>	<u>(76,055,031)</u>
Net cash provided by (used in) operating activities	(2,195,007)	6,423,621
Cash flows from noncapital financing activities:		
District tax revenues	2,245,791	2,063,284
Grants, contributions and changes in restricted assets	<u>1,184,281</u>	<u>592,865</u>
Net cash provided by noncapital financing activities	3,430,072	2,656,149
Cash flows from capital financing activities:		
District tax revenues related to capital acquisitions	1,970,880	1,878,958
Net purchase of capital assets and changes in other assets	(1,363,171)	211,379
Principal borrowings on debt borrowings	12,570,000	
Principal payments on debt borrowings	(17,410,000)	(2,883,852)
Interest payments, net of capitalized interest	<u>(1,659,516)</u>	<u>(1,817,826)</u>
Net cash (used in) capital financing activities	(5,891,807)	(2,611,341)
Cash flows from investing activities:		
Net (purchase) or sale of assets limited as to use	1,409,397	2,436,401
Investment income, net of unrealized gains and losses	<u>128,783</u>	<u>176,578</u>
Net cash provided by investing activities	<u>1,538,180</u>	<u>2,612,979</u>
Net increase in cash and cash equivalents	(3,118,562)	9,863,061
Cash and cash equivalents at beginning of year	<u>21,627,188</u>	<u>11,764,127</u>
Cash and cash equivalents at end of year	<u>\$ 18,508,626</u>	<u>\$ 21,627,188</u>

See accompanying notes and auditor's report

11.

Statements of Cash Flows (continued)

SAN BENITO HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2021</u>	<u>2020</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (3,571,634)	\$ (9,506,545)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	4,004,533	4,152,450
Provision for bad debts and other	3,138,006	3,596,324
Changes in operating assets, liabilities and other:		
Patient accounts receivables	(6,897,204)	(1,957,982)
Other receivables	(774,521)	(247,043)
Inventories	(51,094)	(156,508)
Prepaid expenses and deposits	88,414	(59,785)
Accounts payable and accrued expenses	1,805,456	3,747,598
Accrued payroll and related liabilities	922,416	1,108,898
Estimated third party payor settlements	(776,084)	6,465,824
Net long-term pension liability	(611,577)	(609,467)
Health insurance claims payable (IBNR)	528,282	(110,143)
Net cash provided by operating activities	<u>\$ (2,195,007)</u>	<u>\$ 6,423,621</u>

See accompanying notes and auditor's report

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES

Reporting Entity: San Benito Health Care District, (dba: Hazel Hawkins Memorial Hospital), heretofore referred to as (the Hospital) is a public entity organized under Local Hospital District Law as set forth in the Health and Safety Code of the State of California. The Hospital is a political subdivision of the State of California and is generally not subject to federal or state income taxes. The Hospital is governed by a five-member Board of Directors, elected from specified areas within the district to specified terms of office. The Hospital is located in Hollister, California. It is licensed for 25 acute care beds, a home health agency, several rural health clinics, and 119 convalescent beds divided between two locations at and near the Hospital's campus. The Hospital provides health care services primarily to individuals who reside in the local geographic area.

Basis of Preparation: The accounting policies and financial statements of the Hospital generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The Hospital uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, the Hospital has elected to apply the provisions of all relevant pronouncements as the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Management's Discussion and Analysis: Effective July 1, 2002, the Hospital adopted the provisions of GASB 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (Statement 34), as amended by GASB 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement 38, *Certain Financial Statement Note Disclosures*. Statement 34 established financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements. One of the main components of these new provisions allows the inclusion of a management's discussion and analysis to accompany the financial statement presentation.

The management's discussion and analysis is a narrative introduction and analytical overview of the Hospital's financial activities for the year being presented. This analysis is similar to the analysis provided in the annual reports of organizations in the private sector. As stated in the opinion letter, the management's discussion and analysis is not a required part of the financial statements but is supplementary information and therefore not subject to audit procedures or the expression of an opinion on it by auditors.

Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents and Investments: The Hospital considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in nonoperating revenues when earned.

Patient Accounts Receivable: Patient accounts receivable consist of amounts owed by various governmental agencies, insurance companies and private patients. The Hospital manages its receivables by regularly reviewing the accounts, inquiring with respective payors as to collectibility and providing for allowances on their accounting records for estimated contractual adjustments and uncollectible accounts. Significant concentrations of patient accounts receivable are discussed further in the footnotes.

Inventories: Inventories are consistently reported from year to year at cost determined by average costs and replacement values which are not in excess of market. The Hospital does not maintain levels of inventory values such as those under a first-in, first out or last-in, first out method.

Assets Limited as to Use: Assets limited as to use include contributor restricted funds, amounts designated by the Board of Directors for replacement or purchases of capital assets, and other specific purposes, and amounts held by trustees under specified agreements. Assets limited as to use consist primarily of deposits on hand with local banking and investment institutions, and bond trustees.

Capital Assets: Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 30 years for buildings and improvements, and 3 to 10 years for equipment. The Hospital periodically reviews its capital assets for value impairment. As of June 30, 2021 and 2020, the Hospital has determined that no capital assets are impaired.

SAN BENITO HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Deferred Outflows of Resources: Deferred outflows of resources are comprised of deferred financing cost of the issuance of various bonds. Amortization of these issuance costs is computed by the effective interest method and the straight line method over the life of the repayment agreements. For current and advance refundings which result in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt, together with any unamortized deferred financing costs, is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, in accordance with GASB 23. Amortization expense was \$281,617 and \$108,440 for the years ended June 30, 2021 and 2020, respectively.

Deferred outflows of resources is also comprised of defined benefit pension resources of \$5,441,936 of deferred outflows netted against \$3,961,563 of deferred inflows for a net \$1,480,373 for the year ended June 30, 2021 and \$5,098,845 of deferred outflows netted against \$ 2,822,780 of deferred inflows for a net \$2,276,065 for the year ended June 30, 2020.

Compensated Absences: The Hospital's employees earn vacation benefits at varying rates depending on years of service. Employees also earn sick leave benefits. Both benefits can accumulate up to specified maximum levels. Employees are not paid for accumulated sick leave benefits if they leave either upon termination or before retirement. However, accumulated vacation benefits are paid to an employee upon either termination or retirement. Accrued vacation liabilities as of June 30, 2021 and 2020 are \$4,320,342 and \$3,676,650, respectively.

Risk Management: The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters. In the case of employee health coverage, the Hospital is self-insured for those claims and is discussed further in the footnotes.

Net Position: Net position (formerly net assets) are presented in three categories. The first category is net position "invested in capital assets, net of related debt". This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets.

The second category is "restricted" net position. This category consists of externally designated constraints placed on those net position by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation.

The third category is "unrestricted" net position. This category consists of net position that do not meet the definition or criteria of the previous two categories.

Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Net Patient Service Revenues: Net patient service revenues are reported in the period at the estimated net realized amounts from patients, third-party payors and others including estimated retroactive adjustments under reimbursement agreements with third-party programs. Normal estimation differences between final reimbursement and amounts accrued in previous years are reported as adjustments of current year's net patient service revenues.

Revenue Recognition: As previously stated, net patient service revenues are reported at amounts that reflect the consideration to which the Hospital expects to be entitled in exchange for patient services. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of third-party payor audits, reviews, and investigations. Generally, the Hospital bills the patients and third-party payors several days after the patient receives healthcare services at the Hospital. Revenue is recognized as services are rendered.

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per day, discharge or visit, reimbursed costs, discounted charges and per diem payments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Gifts of long-lived assets such as land, buildings, or equipment are reported as net assets without donor restrictions unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit donor restrictions that specify how the asset is to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived asset is placed in service. Cash received in excess of revenue recognized is deferred revenue.

Contributions are recognized as revenue when they are received or unconditionally pledged. Donor stipulations that limit the use of the donation are recognized as contributions with donor restrictions. When the purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from donor restrictions. Donor restricted contributions whose restriction expire during the same fiscal year are recognized as net assets without donor restrictions. Absent donor imposed restrictions, the Hospital records donated services, materials, and facilities as net assets without donor restrictions.

From time to time, the Hospital receives grants from various governmental agencies and private organizations. Revenues from grants are recognized when all eligibility requirements, including time requirements are met. Grants may be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statement of revenues, expenses and changes in net position.

Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Charity Care: The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenues. Services provided are recorded as gross patient service revenues and then written off entirely as an adjustment to net patient service revenues.

District Tax Revenues: The Hospital receives approximately 3% of its financial support from property taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Property taxes are levied by the County on the Hospital's behalf during the year, and are intended to help finance the Hospital's activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date

Operating Revenues and Expenses: The Hospital's statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the Hospital's principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Nonoperating revenues and expenses are those transactions not considered directly linked to providing health care services.

Pensions: For purposes of measuring the net position liability and pension expense, information about the fiduciary net position and additions to and deductions from fiduciary net position are determined on the same basis as reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due any payable in accordance with benefit terms. Plan investments are reported at fair value.

NOTE B - RESTRICTED BY CONTRIBUTORS

Restricted assets by contributors as of June 30, 2021 and 2020 are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Restricted by the foundation for capital assets and other purposes	\$ 41,827	\$ 41,678
Restricted by the auxiliary for capital assets and other purposes	7,437	11,208
Restricted for scholarships and tuitions	<u>53,033</u>	<u>54,837</u>
Total restricted net position, by contributor	<u>\$ 102,297</u>	<u>\$ 107,723</u>

Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE C - CASH, CASH EQUIVALENTS AND INVESTMENTS

As of June 30, 2021 and 2020, the Hospital had operating deposits invested in various financial institutions in the form of cash and cash equivalents amounted to \$19,192,380 and \$22,029,108. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the Hospital's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the Hospital's deposits. California law also allows financial institutions to secure Hospital deposits by pledging first trust deed mortgage notes having a value of 150% of the Hospital's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the Hospital. Investments consist of U.S. Government securities and state and local agency funds invested in U. S. Government securities and are stated at quoted market values. Changes in market value between years are reflected as a component of investment income in the accompanying statement of revenues, expenses and changes in net position.

NOTE D - NET PATIENT SERVICE REVENUES

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare: Payments for acute care services rendered to Medicare program beneficiaries are paid on cost reimbursement principles. The Hospital was classified as a critical access hospital during the fiscal year ended June 30, 2020. The Hospital is paid for services at an interim rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. At June 30, 2021, cost reports through June 30, 2018 have been audited or otherwise final settled.

Medi-Cal: Payments for inpatient services rendered to Medi-Cal patients are made based on reasonable costs through December 31, 2013. Effective January 1, 2014, the State of California's Medi-Cal program changed inpatient reimbursement to Diagnosis-Related Groups (DRG), similar to the Medicare inpatient payment methodology. Outpatient payments continue to be paid on pre-determined charge screens. Additionally, on November 1, 2013, San Benito County transitioned to Medi-Cal Managed Care through Anthem Blue Cross. The Medi-Cal recipients in the County are now able to choose between managed care or fee for service. At June 30, 2021, cost reports through June 30, 2019, have been final settled.

Other: Payments for services rendered to other than Medicare and Medi-Cal patients are based on established rates or on agreements with certain commercial insurance companies, health maintenance organizations and preferred provider organizations which provide for various discounts from established rates.

Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE D - NET PATIENT SERVICE REVENUES (continued)

Net patient service revenues summarized by payor are as follows:

	<u>2021</u>	<u>2020</u>
Daily hospital acute care routine services	\$ 40,488,616	\$ 24,758,936
Skilled nursing routine services	17,333,980	19,084,635
Inpatient ancillary services	58,019,743	42,757,351
Outpatient services	<u>218,408,588</u>	<u>210,018,623</u>
Gross patient service revenues	334,250,927	296,619,545
Less contractual allowances and provision for bad debts	<u>(204,500,015)</u>	<u>(190,909,314)</u>
Net patient service revenues	<u>\$129,750,912</u>	<u>\$105,710,231</u>

Medicare and Medi-Cal revenue accounts for approximately 60% of the Hospital's net patient revenues for each year. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

NOTE E - CONCENTRATION OF CREDIT RISK

The Hospital grants credit without collateral to its patients and third-party payors. Patient accounts receivable from government agencies represent the only concentrated group of credit risk for the Hospital and management does not believe that there are any credit risks associated with these governmental agencies. Contracted and other patient accounts receivable consist of various payors including individuals involved in diverse activities, subject to differing economic conditions and do not represent any concentrated credit risks to the Hospital. Concentration of patient accounts receivable at June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Medicare	\$ 11,490,796	\$ 10,074,652
Medi-Cal	14,135,609	10,942,615
Other third party payors	10,598,945	6,922,088
Self pay and other	<u>4,883,832</u>	<u>5,033,456</u>
Gross patient accounts receivable	41,109,182	32,972,811
Less allowances for contractual adjustments and bad debts	<u>(28,263,028)</u>	<u>(23,885,855)</u>
Net patient accounts receivable	<u>\$ 12,846,154</u>	<u>\$ 9,086,956</u>

Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE F - OTHER RECEIVABLES

Other receivables as of June 30, 2021 and 2020 were comprised of the following:

	<u>2021</u>	<u>2020</u>
Receivable due from the State for supplemental programs	\$ 2,103,290	\$ 1,200,751
San Benito County property taxes	151,003	120,212
Other various receivables	<u>282,600</u>	<u>441,409</u>
	<u>\$ 2,536,893</u>	<u>\$ 1,762,372</u>

From time-to-time, hospitals may have certain physician income guarantee agreements to provide the physicians with a specified level of income for a period of time. Typically, the physician is then expected to practice in the area for a specified period of time, during which the amounts paid to the physicians are generally forgiven in a ratable fashion over time such as the time of service. When such transactions take place, accounting guidelines require the hospital to establish both an asset and a liability for the estimated fair value of its physician income guarantees at the inception of contracts entered into. As of June 30, 2021 and 2020, the Hospital has no material agreements of this nature.

NOTE G - ASSETS LIMITED AS TO USE

Assets limited as to use as of June 30, 2021 and 2020 were comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents restricted by contributors	\$ 102,297	\$ 107,722
Cash designated by the board for specific purposes	267,431	273,466
Cash and cash equivalents and debt securities held under bond indenture agreements for debt service requirements	<u>2,371,770</u>	<u>3,769,707</u>
	2,741,498	4,150,895
Less amounts available for current obligations	<u>(2,579,517)</u>	<u>(2,681,463)</u>
	<u>\$ 161,981</u>	<u>\$ 1,469,432</u>

Interest income, dividends, and other like-kind earnings are recorded as investment income. Unrealized gains and (losses) are also recorded as investment income.

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Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE H - CAPITAL ASSETS

Capital assets as of June 30, 2021 and 2020 were comprised of the following:

	<u>Balance at June 30, 2020</u>	<u>Transfers & Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2021</u>
Land and land improvements	\$ 3,231,774	\$ 5,700		\$ 3,237,474
Buildings and improvements	96,240,421	944,023		97,184,444
Equipment	39,181,963	2,492,992	\$ (1,775,472)	39,899,483
Construction-in-progress	<u>253,647</u>	<u>171,353</u>		<u>425,000</u>
Totals at historical cost	138,907,805	3,614,068	(1,775,472)	140,746,401
Less accumulated depreciation for:				
Land and land improvements	(1,320,245)	(77,720)		(1,397,965)
Buildings and improvements	(43,370,458)	(2,830,820)		(46,201,278)
Equipment	<u>(35,328,301)</u>	<u>(1,202,815)</u>	<u>1,772,849</u>	<u>(34,758,267)</u>
Total accumulated depreciation	<u>(80,019,004)</u>	<u>(4,111,355)</u>	<u>1,772,849</u>	<u>(82,357,510)</u>
Capital assets, net	<u>\$ 58,888,801</u>	<u>\$ (497,287)</u>	<u>\$ (2,623)</u>	<u>\$ 58,388,891</u>

	<u>Balance at June 30, 2019</u>	<u>Transfers & Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2020</u>
Land and land improvements	\$ 3,222,174	\$ 9,600		\$ 3,231,774
Buildings and improvements	95,597,496	642,925		96,240,421
Equipment	38,555,846	790,597	\$ (164,480)	39,181,963
Construction-in-progress	<u>134,948</u>	<u>118,699</u>		<u>253,647</u>
Totals at historical cost	137,510,464	1,561,821	(164,480)	138,907,805
Less accumulated depreciation for:				
Land and land improvements	(1,241,704)	(78,541)		(1,320,245)
Buildings and improvements	(40,580,242)	(2,790,216)		(43,370,458)
Equipment	<u>(34,124,621)</u>	<u>(1,368,160)</u>	<u>164,480</u>	<u>(35,328,301)</u>
Total accumulated depreciation	<u>(75,946,567)</u>	<u>(4,236,917)</u>	<u>164,480</u>	<u>(80,019,004)</u>
Capital assets, net	<u>\$ 61,563,897</u>	<u>\$ (2,675,096)</u>	<u>\$</u>	<u>\$ 58,888,801</u>

H.

Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE I - DEBT BORROWINGS

As of June 30, 2021 and 2020, debt borrowings were as follows:

	<u>2021</u>	<u>2020</u>
San Benito Healthcare District 2014 General Obligation Refunding Bonds (election 2005); interest at 3.58% due semiannually; principal due in annual amounts ranging from \$760,000 on June 30, 2020 to \$2,755,000 on June 30, 2035; collateralized by property taxes:	\$ 25,170,000	\$ 26,100,000
San Benito Health Care District Insured Revenue Bonds, Series 2013; interest charged at 2.0% to 5.0% due semiannually; principal due in annual amounts ranging from \$1,385,000 on March 1, 2020 to \$2,180,000 on March 1, 2029; collateralized by Hospital revenues and other property:		16,480,000
San Benito Health Care District Insured Refunding Revenue Bonds, Series 2021; interest charged at 4.0% due semiannually; principal due in annual amounts ranging from \$1,340,000 on March 1, 2022 to \$1,800,000 on March 1, 2029; collateralized by Hospital revenues and other property:	12,570,000	
Premiums, net of accumulated accretion:	<u>2,623,842</u>	<u>1,555,741</u>
	40,363,842	44,135,741
Less current maturities of debt borrowings	<u>(2,360,000)</u>	<u>(2,430,000)</u>
	<u>\$ 38,003,842</u>	<u>\$ 41,705,741</u>

Future principal maturities for debt borrowings for the next succeeding years are: \$2,360,000 due in 2022; \$2,535,000 in 2023; \$2,700,000 in 2024; \$2,865,000 in 2025; and \$3,040,000 in 2026.

Bank Line of Credit: The Hospital has a line of credit available for \$1 million. As of June 30, 2021 and 2020, the Hospital had no borrowings on this line of credit.

Bonds Payable: On July 7, 2005, the Hospital issued the San Benito Health Care District 2005 General Obligation Bonds (the 2005 Bonds) in order to finance construction projects at the Hospital. The offering was for \$31,000,000 with interest at rates varying from 4.50% to 5.00%. Effective May 3, 2005, the Hospital exercised its authority to levy a special district property tax assessment to be used to meet debt service obligations for the 2005 Bonds. Taxes are collected by San Benito County and are used to meet the debt service obligations as they become due and payable to the bondholders. The total debt service obligation paid by San Benito County on behalf of the Hospital for the

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SAN BENITO HEALTH CARE DISTRICT

NOTE I - DEBT BORROWINGS - (continued)

2005 Bonds amounted to \$656,531 for the year ended June 30, 2015. These amounts, as well as County fees to administer the debt, have been recognized as income by the Hospital for the respective fiscal year ends. Additional accumulated tax collections by San Benito County under this arrangement as of June 30, 2015 are considered minor. During the year ended June 30, 2015, the 2005 bonds were refunded with the sale of the 2014 bonds.

In December, 2014, the Hospital issued the San Benito Health Care District 2014 General Obligation Refunding Bonds (the 2014 Bonds) in order to refund the 2005 Bonds. The offering was for \$30,030,000 with interest rate set at 3.58%. In order to service this debt, the Hospital exercised its authority to levy a special district property tax assessment to be used to meet debt service obligations for the 2014 Bonds. Taxes are collected by San Benito County and are used to meet the debt service obligations as they become due and payable to the bondholders. The total debt service obligation taxes collected by San Benito County on behalf of the Hospital for the 2005 Bonds were less than \$10,000 and is considered minimal. The total debt service obligation paid by San Benito County on behalf of the Hospital for the 2014 Bonds amounted to \$1,831,086 and \$1,809,631 for the years ended June 30, 2021 and 2020, respectively. These amounts, as well as County fees to administer the debt, have been recognized as income by the Hospital for the respective fiscal year ends. Additional accumulated tax collections by San Benito County under this arrangement as of June 30, 2021 and 2020 are considered minor.

In January, 2021, the Hospital issued Series 2021 San Benito Health Care District Insured Refunding Revenue Bonds, Series 2021 (the 2021 Bonds) in the amount of \$12,750,000 for the purpose of defeasing the San Benito Health Care District Insured Revenue Bonds, Series 2013 Bonds. The 2021 Bonds were issued at a \$1,982,753 premium. The 2021 Bonds are the obligation of the Hospital and mature on or before March 1, 2029 and will not be subject to optional redemption prior to maturity. The Hospital is required under the 2021 bond indenture agreement to deposit certain amounts on a monthly basis with the Trustee which approximate the succeeding year's debt service. The indenture agreement provides for certain Hospital covenants that include, among other things, restrictions on consolidation, merger, sale or transfer of Hospital assets, a requirement to maintain proper licensing and qualification for federal, state and local government reimbursement programs, and to fix, charge and collect rates, fees and charges which are reasonably projected to, in each fiscal year, provide a debt service coverage ratio (DSCR) of not less than 1.25. For June 30, 2021 and 2020, the DSCR was 2.11 and (0.63), respectively. Other requirements are to maintain a current ratio of at least 1.5 to 1 and at least 30 days cash on hand. For June 30, 2021 and 2020, the current ratio was 1.75 and 2.02 and the days cash on hand are 49.12 and 65.06, respectively.

SAN BENITO HEALTH CARE DISTRICT

NOTE J - RETIREMENT PLANS

Through December 31, 2003, the Hospital provided retirement benefits for substantially all of its full-time employees under a defined contribution matching plan (Plan I). Plan I became effective January 1, 1995 with a plan year end of December 31. Employees who have attained the age of 18 and completed one year of full-time service or part-time service were eligible for Plan I. Employees who worked on a per-diem, leased or contract basis were not eligible. The Hospital's contributions matched the contributions of the employees up to a 3.5% limit, subject to certain limitations under Plan I. In addition to the 3.5% contribution by the Hospital, employees could have contributed up to \$12,000. Employees become fully vested in the employer contributions after completion of 5 years of service. Total Plan I assets were \$34,571,553 and \$28,392,334 as of June 30, 2021 and 2020, respectively. No employer contributions have been made to this part of Plan I after December 31, 2003. A part of Plan I, however, still includes the 457 plan that employees still currently contribute to.

Effective January 1, 2005, the Hospital began a single-employer defined benefit plan (Plan II). Plan II became effective January 1, 2005 with a plan year end of December 31. Benefitted full and part-time employees are eligible following three years of consecutive employment. The retirement formula is based on a percentage of the employee's compensation in each calendar year. Credit for past service is given to benefitted full and part-time employees during the period of 1999 through current at the same retirement formula of the employee's compensation in each consecutive calendar year in which the employee completed 1,000 hours of service.

The Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, became effective for fiscal years beginning after June 15, 2014. The statement established accounting and financial reporting standards for the recognition and disclosure requirements for employers with a liability to a defined benefit pension plan, as in the case of the Hospital's Plan II. GASB 68 requires that the Hospital's liability to Plan II be measured as the portion of the present value of projected benefit payments to be provided through Plan II to current active and inactive employees that is attributed to the employee's past periods of service, less the amount of Plan II's net position. The statement also requires employers to present information about the changes in the net pension liability and the related ratios, including Plan II's net position as a percentage of total pension liability, and the net pension liability as a percentage of covered-employee payroll. Under GASB 68, the Hospital is required to recognize a liability of the net position of Plan II, and to recognize pension expense and report deferred outflows and inflows, when present. The Hospital is also required to present a 10-year schedule containing the net pension liability and certain related ratios, and information about statutorily or contractually required contributions and related ratios. However, until a full 10-year trend is compiled, the Hospital will present information for only those years for which information is available.

The net effect in implementing GASB 68 for the Hospital was the recognition of additional pension expense for the year ended June 30, 2015 in the amount of \$748,158 and the reclassification of net position of \$8,325,745 as a long-term non-current unfunded actuarial net pension liability.

Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE J - RETIREMENT PLANS - (continued)

For the years ended June 30, 2021 and 2020, the Hospital recognized pension expense under Plan II of \$2,951,676 and \$3,440,608, respectively. At June 30, 2021 and 2020, the Hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>2021</u>	<u>2020</u>
Deferred outflows of resources:		
Differences between expected and actual experience	\$ 329,388	\$ 426,629
Changes in assumptions	3,695,237	3,319,797
Contributions to pension plan after measurement date	1,417,311	1,352,419
Net difference between projected and actual earnings on investments	<u>5,441,936</u>	<u>5,098,845</u>
Deferred inflows of resources:		
Changes in assumptions	<u>(3,961,563)</u>	<u>(2,822,780)</u>
Net deferred outflows and inflows related to pension	<u>\$ 1,480,373</u>	<u>\$ 2,276,065</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions (net) will be recognized in pension expense as follows:

Year ended June 30:

2022	\$(66,921)
2023	180,578
2024	(360,414)
2025	80,850
2026	183,271
Thereafter	<u>45,698</u>
	<u>\$ 63,062</u>

The following is the aggregate pension expense for the year:

	<u>2021</u>	<u>2020</u>
Service costs, plus related administrative expense	\$ 2,157,751	\$ 2,115,813
Interest on the total pension liability	2,986,614	2,664,097
Recognized difference between expected and actual experience	(172,579)	(87,588)
Recognized changes of assumptions	756,124	565,340
Projected earnings on pension plan investments and contributions	(2,208,759)	(1,783,197)
Recognized differences between projected and actual earnings	<u>(567,475)</u>	<u>(33,857)</u>
Aggregate pension expense	<u>\$ 2,951,676</u>	<u>\$ 3,440,608</u>

Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE J - RETIREMENT PLANS - (continued)

Plan administrative expenses are not displayed in the above pension expense table. Since the expected investment rate of return of 6.50% is net of administrative expenses, administrative expenses are excluded from the above table but, implicitly included as part of investment earnings.

The net pension liability is as follows:

	<u>2021</u>	<u>2020</u>
Total Pension Liability		
Service costs	\$ 2,139,969	\$ 2,099,705
Interest on the total pension liability	2,986,614	2,664,097
Differences between expected and actual experience	(546,664)	(1,044,501)
Changes of assumptions	1,227,120	1,939,682
Benefit payments, including refunds of employee contributions	<u>(1,045,460)</u>	<u>(814,046)</u>
Net change in total pension liability	4,761,579	4,844,937
Total pension liability at the beginning of the year	<u>42,620,355</u>	<u>37,775,418</u>
Total pension liability at the end of the year	<u>\$ 47,381,934</u>	<u>\$ 42,620,355</u>
Plan Fiduciary Net Position		
Contributions - employer (Hospital)	\$ 2,702,669	\$ 1,306,536
Contributions - employees	157,844	132,175
Net investment income	3,575,885	4,845,847
Administrative expense	(17,782)	(16,108)
Benefit payments, including refunds of employee contributions	<u>(1,045,460)</u>	<u>(814,046)</u>
Net change in Plan Fiduciary Net Position	5,373,156	5,454,404
Total plan fiduciary net position at the beginning of the year	<u>29,764,860</u>	<u>24,310,456</u>
Total plan fiduciary net position at the end of the year	<u>\$ 35,138,016</u>	<u>\$ 29,764,860</u>
Hospital's net pension liability (liability less net position)	<u>\$ 12,243,918</u>	<u>\$ 12,855,495</u>
Plan fiduciary net position as a % of the total liability	74%	70%
Covered employee payroll	\$ 28,848,422	\$ 30,784,852
Hospital's net pension liability as a % of covered employee payroll	42%	42%
Schedule of Hospital Contributions		
Actuarially determined contributions	\$ 3,545,809	\$ 3,577,595
Contributions in relation to the actuarially determined contributions	<u>(2,702,669)</u>	<u>(1,306,536)</u>
Contribution deficiency (excess)	<u>\$ 843,140</u>	<u>\$ 2,271,059</u>

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SAN BENITO HEALTH CARE DISTRICT

NOTE J - RETIREMENT PLANS - (continued)

The following table summarizes the actuarial assumptions used to determine net pension liability and plan fiduciary net position as of June 30, 2021:

Valuation date	Actuarially determined contributions are calculated as of December 31, six months prior to the end of the fiscal year in which contributions are reported
Methods and assumptions:	
Actuarial cost method	Entry age normal cost method
Amortization method	Straight line amortization
Asset valuation method	Market value as of the measurement date
Salary increases	Salary scale (1) CNA at 4% a year; (2) NUHW at 5.5% a year; (3) all others at 5.25% a year; in 2020
Merit increases	5% per year for 1-5 years; 10%-20% every 5 years for CNA; 10%-25% every 5 years for NUHW
Investment rate of return	6.50%, net of pension plan investment expense, including inflation
Retirement age	65
Mortality	PubG-2010 Generational Mortality Tables for Males & Females with projection scale MP2020

Other disclosures about Plan II are as follows or available upon request:

Description of the Plan: Effective January 1, 2005, the Hospital began a single-employer defined benefit plan. This plan became effective on that date with a plan year end of December 31.

Benefits provided: Benefitted full and part-time employees are eligible following three years of consecutive employment. The retirement formula is based on a percentage of the employee's compensation in each calendar year. Credit for past service is given to benefitted full and part-time employees during the period of 1999 through current, at the same retirement formula of the employee's compensation in each consecutive calendar year in which the employee completed 1,000 hours of service.

Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE J - RETIREMENT PLANS - (continued)

Employees covered by benefit terms: As of January 1, 2021, there are currently 295 active participants in the plan, 110 retired participants, 125 terminated vested participants entitled to future benefits, 20 active participants (frozen status) for a total of 550 total participants.

Contributions: For the fiscal year ended June 30, 2021, the actuarially determined contributions for the Hospital for the 2020 plan year was \$3,545,809 with actual contributions of \$2,702,669 leaving a contribution deficiency of \$843,140 on a covered employee payroll of \$28,848,422. For the fiscal year ended June 30, 2020, the actuarially determined contributions for the Hospital for the 2019 plan year was \$3,577,595 with actual contributions of \$1,306,536 leaving a contribution deficiency of \$2,271,059 on a covered employee payroll of \$30,784,852.

Discount rate: The discount rate used to measure the total pension liability was 6.50%. In the previous valuation, the discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the net pension liability to changes in the discount rate: It is estimated that a 1% decrease in the discount rate from 6.50% to 5.50% would increase the net liability by about \$6.4 million dollars and a 1% increase in the discount rate from 6.50% to 7.50% would decrease the net liability by about \$5.4 million dollars.

NOTE K - COMMITMENTS AND CONTINGENCIES

Construction-in-Progress: As of June 30, 2021, the Hospital had recorded \$425,000 as construction-in-progress representing cost capitalized for various remodeling, major repair, and expansion projects on the Hospital's premises. No interest was capitalized during the years ended June 30, 2021 and 2020 related to these projects. Estimated cost to complete these projects as of June 30, 2021 is approximately \$2,221,000.

Operating Leases: The Hospital leases various equipment and facilities under operating leases expiring at various dates. Total building and equipment rent expense for the years ended June 30, 2021 and 2020, were \$1,926,957 and \$1,877,179, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2021, that have initial or remaining lease terms in excess of one year are not considered material.

Litigation: The Hospital may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2021 will be resolved without material adverse effect on the Hospital's future financial position, results from operations or cash flows.

SAN BENITO HEALTH CARE DISTRICT

NOTE K - COMMITMENTS AND CONTINGENCIES (continued)

Employee Health Insurance: The Hospital provides health benefits to employees through a self-funded plan financed by the Hospital operations. Estimated liabilities are recorded for claims which most likely have been incurred but are not yet reported for claims processing and payment (IBNR). As of June 30, 2021 and June 30, 2020, this amount was estimated at \$2,180,895 and \$1,652,613, respectively. Commercial insurance is provided for “stop-loss” coverage.

Workers Compensation Program: Prior to June 30, 2008, the Hospital was a participant in the Association of California Hospital District’s Beta Fund, which administers a self-insured worker’s compensation plan for participating hospital employees of its member hospitals. The Hospital terminated this coverage effective July 1, 2008 and became enrolled with coverage provided by a commercial insurance company for worker’s compensation coverage. Effective July 1, 2013, the Hospital was issued a Certificate of Consent to self-insure by the State of California’s Department of Industrial Relations. The Hospital purchases excess liability insurance to provide coverage for workers’ compensation claim exposures over its self-insurance retention limit of \$500,000. The plan is administered by Quality Comp, Inc., a division of Monument, LLC.

Health Insurance Portability and Accountability Act: The Health Insurance Portability and Accountability Act (HIPAA) was enacted August 21, 1996, to ensure health insurance portability, reduce health care fraud and abuse, guarantee security and privacy of health information, and enforce standards for health information. Organizations are subject to significant fines and penalties if found not to be compliant with the provisions outlined in the regulations. Management believes the Hospital is in compliance with HIPAA as of June 30, 2021 and 2020.

Health Care Reform: The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statues and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse as well as other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE L - INVESTMENTS

The Hospital's investment balances and average maturities were as follows at June 30, 2021 and 2020:

<i>As of June 30, 2021</i>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1 to 5</u>	<u>Over 5</u>
U. S. government obligations	\$ 121,373	\$ 8,017	\$ 57,500	\$ 55,856
Local agency investment fund	166,086	166,086		
Corporate bonds and notes	139,461	1,003	95,492	42,966
Money market and mutual funds	<u>5,459</u>	<u>5,459</u>		
Total investments	<u>\$ 432,379</u>	<u>\$ 180,565</u>	<u>\$ 152,992</u>	<u>\$ 98,822</u>

<i>As of June 30, 2020</i>	<u>Fair Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1 to 5</u>	<u>Over 5</u>
U. S. government obligations	\$ 144,155	\$ 10,018	\$ 46,447	\$ 87,690
Local agency investment fund	164,691	164,691		
Corporate bonds and notes	111,220	10,106	71,083	30,031
Cash equivalents	1,289	1,289		
Money market and mutual funds	<u>15,664</u>	<u>15,664</u>		
Total investments	<u>\$ 437,019</u>	<u>\$ 201,768</u>	<u>\$ 117,530</u>	<u>\$ 117,721</u>

The Hospital's investments are reported at fair value as previously discussed. The Hospital's investment policy allows for various forms of investments generally set to mature within a few months to others over 15 years. The policy identifies certain provisions which address interest rate risk, credit risk and concentration of credit risk.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the Hospital manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a position of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for hospital operations. Information about the sensitivity of the fair values of the Hospital's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the preceding schedules that shows the distribution of the Hospital's investments by maturity.

Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE L - INVESTMENTS (continued)

Credit Risk: Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as Moody's Investor Service, Inc. The Hospital's investment policy for corporate bonds and notes is to invest in companies with total assets in excess of \$500 million and having a "A" or higher rating by agencies such as Moody's or Standard and Poor's.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer), the Hospital will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Hospital's investments are generally held by broker-dealers or bank's trust departments used by the Hospital to purchase securities.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the Hospital's investment in a single issuer. The Hospital's investment allows concentrations of over 5% in government-backed securities.

NOTE M - OTHER DECREASES IN NET POSITION

The Hospital has recorded increases and (decreases) in net position of \$5,427 and \$28,127 as other decreases in net position as of June 30, 2021 and 2020, respectively, within the statement of revenues, expenses and changes in net position. For the year ended June 30, 2021, these amounts were comprised of restricted contributions and net assets released from restriction for a net amount of \$5,427. For the year ended June 30, 2020, these amounts were also comprised of net assets released from restriction of \$ 28,127.

NOTE N - RELATED PARTY TRANSACTIONS

The Hazel Hawkins Hospitals Foundation (the Foundation), has been established as a nonprofit public benefit corporation under the Internal Revenue Code Section 501(c)(3) to solicit contributions on behalf of the Hospital. Substantially all funds raised except for funds required for operation of the Foundation, are distributed to the Hospital or held for the benefit of the Hospital. The Foundation's funds, which represent the Foundation's unrestricted resources, are distributed to the Hospital in amounts and in period determined by the Foundation's Board of Trustees, who may also restrict the use of funds for Hospital property and equipment replacement or expansion or other specific purposes. Donations were \$225,284 and \$384,656 for the years ended June 30, 2021 and 2020, respectively.

The Hazel Hawkins Auxiliary (the Auxiliary) is a similar non-profit organization to help solicit contributions for the Hospital. Donations by the Auxiliary were \$3,813 and \$50,459 for the years ended June 30, 2021 and 2020. Both of these entities are considered component units of the Hospital due to their relationship.

Notes to Financial Statements (continued)

SAN BENITO HEALTH CARE DISTRICT

NOTE O - SUBSEQUENT EVENTS

Management evaluated the effect of subsequent events on the financial statements through October 28, 2021, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.

Supplementary Information

Bond Covenant Requirements

SAN BENITO HEALTH CARE DISTRICT

	Year Ended June 30	
	<u>2021</u>	<u>2020</u>
Debt Service Coverage Ratio		
Excess of revenues over expenses	\$ 294,627	\$ (5,462,376)
Less district taxes for general obligation bond debt service	(1,970,880)	(1,878,958)
Add in interest expense related to general obligation bonds	<u>934,380</u>	<u>964,631</u>
Revised excess of revenues over expenses	(741,873)	(6,376,703)
Add in other interest expense	689,238	801,984
Add in depreciation and amortization	<u>4,004,533</u>	<u>4,152,450</u>
Total adjusted excess of revenues over expenses	<u>\$ 3,951,898</u>	<u>\$ (1,422,269)</u>
Debt service requirements for fiscal year ended June 30, 2021		
Capital lease debt service requirements		
Series 2021 revenue bond requirements (2013 for 2020)	<u>\$ 1,870,733</u>	<u>\$ 2,254,388</u>
Total debt service requirements - next fiscal year (2022)	<u>\$ 1,870,733</u>	<u>\$ 2,254,388</u>
Debt Service Coverage Ratio	<u>2.11</u>	<u>-0.63</u>
Required by covenants	<u>1.25</u>	<u>1.25</u>
Current Ratio		
Current assets	<u>\$ 41,635,093</u>	<u>\$ 41,710,826</u>
Current liabilities	<u>\$ 23,798,584</u>	<u>\$ 20,612,430</u>
Current ratio	<u>1.75</u>	<u>2.02</u>
Required by covenants	<u>1.50</u>	<u>1.50</u>
Days Cash on Hand		
Cash and cash equivalents	\$ 18,508,626	\$ 21,627,188
Board designated funds	<u>267,431</u>	<u>273,466</u>
Total available cash on hand	<u>\$ 18,776,057</u>	<u>\$ 21,900,654</u>
Operating expenses	\$141,869,134	\$125,547,641
Add in interest expense	1,659,516	1,817,826
Less depreciation and amortization	<u>(4,004,533)</u>	<u>(4,152,450)</u>
Net expenses to be covered by available cash on hand	<u>\$139,524,117</u>	<u>\$123,213,017</u>
Days in the year	<u>365</u>	<u>366</u>
Average daily cash requirements	<u>\$ 382,258</u>	<u>\$ 336,648</u>
Days cash on hand	<u>49.12</u>	<u>65.06</u>
Required by covenants	<u>30.00</u>	<u>30.00</u>

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

1111 East Herndon, Suite 211, Fresno, California 93720

Voi ce: (559) 431-7708 Fax:(559) 431-7685

Independent Auditors Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Directors
San Benito Health Care District
Hollister, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the San Benito Health Care District, *dba* Hazel Hawkins Memorial Hospital (the Hospital) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Hospital's financial statements, and have issued our report thereon dated October 28, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Hospital's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hospital's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

JWT & Associates, LLP

Fresno, California

October 28, 2021

SAN BENITO HEALTH CARE DISTRICT BOARD OF DIRECTORS

OCTOBER, 2021

AGENDA FOR CLOSED SESSION

Pursuant to California Government Code Section 54954.2 and 54954.5, the board agenda may describe closed session agenda items as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items are described in substantial compliance with Section 54954.5 of the Government Code.

CLOSED SESSION AGENDA ITEMS

[] LICENSE/PERMIT DETERMINATION
(Government Code §54956.7)

Applicant(s): (Specify number of applicants) _____

[] CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code §54956.8)

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation): _____

Agency negotiator: (Specify names of negotiators attending the closed session): _____

Negotiating parties: (Specify name of party (not agent): _____

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both): _____

[] CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Government Code §54956.9(d)(1))

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers): _____, or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations): _____

[X] CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
(Government Code §54956.9)

Significant exposure to litigation pursuant to Section 54956.9(d)(2) or (3) (Number of potential cases): 1

Additional information required pursuant to Section 54956.9(e): Health Plan Dispute

Initiation of litigation pursuant to Section 54956.9(d)(4) (Number of potential cases): _____

[X] LIABILITY CLAIMS
(Government Code §54956.95)

Claimant: (Specify name unless unspecified pursuant to Section 54961): Camilla Rosario, a minor

Agency claimed against: (Specify name): Hazel Hawkins Memorial Hospital.

THREAT TO PUBLIC SERVICES OR FACILITIES
(Government Code §54957)

Consultation with: (Specify name of law enforcement agency and title of officer): _____

PUBLIC EMPLOYEE APPOINTMENT
(Government Code §54957)

Title: (Specify description of position to be filled): _____

PUBLIC EMPLOYMENT
(Government Code §54957)

Title: (Specify description of position to be filled): _____

PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Government Code §54957)

Title: (Specify position title of employee being reviewed): _____

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE
(Government Code §54957)

(No additional information is required in connection with a closed session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

CONFERENCE WITH LABOR NEGOTIATOR
(Government Code §54957.6)

Agency designated representative:

Employee organization:

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations):

CASE REVIEW/PLANNING
(Government Code §54957.8)

(No additional information is required to consider case review or planning.)

REPORT INVOLVING TRADE SECRET
(Government Code §37606 & Health and Safety Code § 32106)

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility):
Trade Secrets, Strategic Planning.

Estimated date of public disclosure: (Specify month and year): unknown

HEARINGS/REPORTS

(Government Code §37624.3 & Health and Safety Code §§1461, 32155)

Subject matter: (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee):

1. Report of the Medical Staff Quality and Safety Committee
2. Report of the Medical Staff Credentials Committee
3. Report of the Interdisciplinary Practice Committee

[] **CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW** (Government Code §54956.86)

(No additional information is required to discuss a charge or complaint pursuant to Section 54956.86.)

ADJOURN TO OPEN SESSION

**RESOLUTION NO. 2021- 09
OF THE BOARD OF DIRECTORS OF
SAN BENITO HEALTH CARE DISTRICT**

**PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A
STATE OF EMERGENCY BY GOVERNOR'S STATE OF EMERGENCY DECLARATION
ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS
FOR THE PERIOD OCTOBER 28 THROUGH NOVEMBER 26, 2021**

WHEREAS, San Benito Health Care District ("District") is a public entity and local health care district organized and operated pursuant to Division 23 of the California Health and Safety Code;

WHEREAS, the District Board of Directors is committed to preserving and nurturing public access and participation in its meetings;

WHEREAS, all meetings of the District's governing body are open and public, as required by The Ralph M. Brown Act, so that members of the public may attend, participate, and observe the District's public meetings;

WHEREAS, The Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions;

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558;

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the boundaries of the District, caused by natural, technological, or human-caused disasters;

WHEREAS, it is further required that (i) state or local officials have imposed or recommended measures to promote social distancing, or (ii) the legislative body meeting in person would present imminent risks to the health and safety of attendees;

WHEREAS, such conditions now exist within the District Boundaries of San Benito Health Care District;

WHEREAS, the District Board of Directors does hereby acknowledge the current state of emergency and is following the September 30, 2021 Recommendations on Social Distancing and Hybrid Meetings issued by San Benito County Health and Human Services Agency recommending that public agencies continue to utilize remote meetings for the purpose of preventing the transmission of COVID-19;

WHEREAS, as a consequence of the local emergency, the District Board of Directors may conduct meetings without compliance with Government Code Section 54953(b)(3), as authorized by Section 54953(e), and that the District shall comply with the requirements to provide the public with access to the meetings pursuant to Section 54953(e) (2);

WHEREAS, meetings of the District Board of Directors will be available to the public via zoom link listed on the agenda;

NOW THEREFORE IT IS HEREBY ORDERED AND DIRECTED THAT:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.
2. Proclamation of Local Emergency. The District hereby proclaims that a local emergency continues to exist throughout San Benito County, and as of September 30, 2021, the San Benito County Health Department continues to recommend that physical and social distancing strategies be practiced in San Benito County, which includes remote meetings of legislative bodies, to the extent possible.
3. Ratification of Governor's Proclamation of a State of Emergency. The District hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.
4. Remote Teleconference Meetings. The District Board of Directors is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of The Brown Act.
5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) November 11, 2021, or such time the District adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the District may continue to meet via teleconference meeting all the requirements of Section (3)(b).

This Resolution was adopted at a duly noticed Special Meeting of the Board of Directors of the District on October 28, 2021, by the following vote.

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Board Member
San Benito Health Care District

44.

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
VIA TELECONFERENCE**

**THURSDAY, SEPTEMBER 23, 2021
MINUTES**

HAZEL HAWKINS MEMORIAL HOSPITAL

Directors Present Via Teleconference

Jeri Hernandez, Board Member
Mary Casillas, Board Member
Bill Johnson, Board Member
Josie Sanchez, Board Member (Absent)
Rick Shelton, Board Member

Also, Present Via Teleconference

Steven Hannah, Chief Executive Officer
Mark Robinson, Chief Financial Officer
Jordan Wright, Chief Operating Officer
Barbara Vogelsang, Chief Clinical Officer
Laura Garcia, Executive Assistant
Dr. Bogey, Chief of Staff
Gary Ray, District Legal Counsel

Pursuant to Executive Order N-25-20 issued by the Governor of the State of California in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

1. Call to Order

The meeting was via teleconference and attendance was taken by roll call. A quorum was present and the meeting was called to order at 5:00 p.m. by Board President, Jeri Hernandez.

2. Closed Session

The Board of Directors went into a closed session at 5:02 pm to discuss Reports Involving Trade Secrets, Strategic Planning, Proposed New Programs, and Services and Hearings.

3. Reconvene Open Session/Closed Session Report

The Board of Directors reconvened into Open Session at 5:13 pm, Board President, Jeri Hernandez reported that in Closed Session the Board of Directors discussed Trade Secrets Regarding Strategic Planning, Proposed New Programs, and Hearing Reports from Quality Services. No action was taken.

4. Public Comment

Charlotte Holifield with Californian Special Districts Association (CSDA) provided an update on what CSDA has been working on. She stated that they have been working on relief funding for COVID and have secured \$100 Million in the State budget. They have also been working on AB 361, extending the provisions of the governor's executive order regarding remote meetings and the relaxation of the Brown Act. Charlotte also shared that CSDA also offers training, workshops, and education and also offers business affiliate services and could recommend companies such as website designs.

5. **Consent Agenda-General Business**

Director Hernandez presented the Consent Agenda and requested a motion to approve the Consent Agenda.

- A. **Minutes of the Meeting of the Board of Directors, August 26, 2021.**
- B. **Absence of President/Chief Executive Officer Policy – (Administrative Policy)**
- C. **Visitation of Hospitalized Patients in Medical-Surgical, Obstetrics, and ICU Department – (Clinical Policy).**
- D. **To Provide Remote Interrogation of Medtronic Pacemaker and Transmit the Data from the Device to the CareLink Network Policy.**

No Public Comment

MOTION: The Board of Directors moved to approve the Consent Agenda, and was seconded. Moved/Seconded/and Unanimously Carried. Ayes: Casillas, Hernandez, Johnson, Shelton. (Roll Call)

7. **Report from the Medical Executive Committee**

Credentials Report: Chief of Staff Dr. Bogey presented the Credentials Report from September 15, 2021.

Item: Consider Approval of Credentials Report, One (1) New Appointment, Six (6) Reappointments, Two (2) Allied Health – New Appointments, and Three (3) Change of Status/Department.

No public comment.

MOTION: The Board of Directors moved to approve the August 9, 2021 Credentials Report “One (1) New Appointment, Six (6) Reappointments, Two (2) Allied Health – New Appointments, and Three (3) Change of Status/Department”, and was seconded. Moved/Seconded/and Unanimously Carried. Ayes: Johnson, Hernandez, Casillas, Shelton. (Roll Call)

Medical Staff Synopsis: Dr. Bogey, Chief of Staff, provided a summary of the Medical Executive Committee Report. The full report can be found as part of the Board packet.

8. **President/Chief Executive Officer**

Mr. Hannah introduced Stephan Schwarzwaelder as the guest speaker.

Board Education

Stephan Schwarzwaelder, Director of Clinical Services provided Board Education regarding the Quality Incentive Pool (QIP) Program. A full report can be found in the Board packet.

Leadership Reports

Mr. Hannah asked Mr. Wright to provide a summary of his CCO report and he indicated that the exempt evaluations have been completed. The implementation of vaccine policy, testing, and tracking of declinations is moving forward. He also stated that Workers Compensation has gone from \$1.424 million in 20018 to \$227,459 in 2021 (reported January of each year). He stated that Elizabeth Von Urff is a dedicated team member and has worked hard to implement a return to work program which has brought down the cost of workers' compensation.

Mr. Hannah asked Ms. Vogelsang to provide a summary of her Patient Care Services report. She stated that The Joint Commission has recertified the District as a Stroke Hospital.

Full reports can be found as part of the Board packet.

43.

CEO Report

Mr. Hannah provided a summary of the CEO's written report. He stated that The Joint Commission has deemed the District in full compliance and has received a 3-year accreditation letter. The lab has submitted their evidence of compliance as well. Mr. Hannah also stated that Mr. Wright is going to transition from his VP/HR focus to a focus on Ambulatory services and that recruitment will begin for a VP/HR. Mr. Hannah indicated that the District will have a new General Surgeon who will be starting in January.

A full report can be found as part of the Board packet.

1. Report from the Finance Committee

Minutes of the meeting of the Finance Committee from September 16, 2021. Mark Robinson provided a summary of the financial dashboard for August 2021.

A. District Financial Statements – August 2021

A complete financial summary has been attached to the Board packet.

B. Financial Updates

Updates on the following and are included in the packet:

- a) **Finance Dashboard**
- b) **Bad Debt (uncompensated Care) – September 2021 Write-Off**
- c) **CHFFA Loan Discussion**
- d) **Unbudgeted Revenue & Expense Opportunities**

9. Recommendation for Board Action

A. Contracts

Item: **Consider Approval of Lease Agreement for 901 Sunset Drive, Suite 3, Ken Jiang, M.D.**

No Public Comment.

MOTION: The Board of Directors moved to approve the Lease Agreement for 930 Sunset Drive, Suite 3, with Ken Jiang, M.D., and was seconded. Moved/Seconded/and Unanimously Carried. Ayes: Casillas, Shelton, Hernandez, Johnson. (Roll Call)

B. Physician Contracts

Item: **Consider Approval of Terms and Conditions for Recruitment and Professional Services Agreement for Nick Gabriel D.O.- General Surgery.**

Gary Ray, Legal Counsel for the District indicated that the Board of Directors also needed to adopt the Findings Supporting Recruitment of General Surgeon and Recruitment Incentives.

No Public Comment.

MOTION: The Board of Directors moved to approve the Terms and Conditions for Recruitment and Professional Services Agreement and Adopt the Recruitment Findings and Incentives as set forth in the Board memo for Nick Gabriel, D.O. – General Surgery, and was seconded. Moved/Seconded/and Unanimously Carried. Ayes: Casillas, Hernandez, Johnson, Shelton. (Roll Call)

11. **Report from District Facilities & Service Development Committee**

- A. Minutes of the meeting of Facilities Committee Meeting, September 16, 2021. The full report can be found in the Board packet.

12. **Adjournment:**

There being no further regular business or actions, the meeting was adjourned at 6:20 p.m.

The next Regular Meeting of the Board of Directors is scheduled for **Thursday, October 28, 2021**, at 5:00 p.m., via teleconference only to reduce the risk of spreading COVID-19, and under the Governor's Executive Orders N-25-20, and the County of San Benito Public Health Officer's Safer at Home Order.

45.

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
VIA TELECONFERENCE**

OCTOBER 12, 2021

MINUTES

Present Via Teleconference:

Jeri Hernandez, President
Mary Casillas, Vice President
Rick Shelton, Treasurer
Bill Johnson, Secretary
Josie Sanchez, Assistant Secretary

Also Present Via Teleconference:

Steven Hannah, Chief Executive Officer
Jordan Wright, Interim Chief Operating Officer
Mark Robinson, Chief Financial Officer
Barbara Vogelsang, Interim Chief Clinical Officer
Laura Garcia, Executive Assistant

Pursuant to Executive Order N-25-20 issued by the Governor of the State of California in response to concerns regarding COVID-19, Board Members of San Benito Health Care District, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

1. Call to Order:

The meeting was via teleconference and attendance was taken by roll call. A quorum was presented and the meeting was called to order at 3:03 pm by Board President, Jeri Hernandez.

2. Public Comment

No Public Comment.

3. Recommendation for Board Approval:

Item: Consideration of Approval for "RESOLUTION 2021-08 OF THE BOARD OF DIRECTORS OF SAN BENITO HEALTH CARE DISTRICT PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE EMERGENCY BY GOVERNOR'S STATE OF EMERGENCY DECLARATION ON MARCH 4, 2021, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE PERIOD OCTOBER 12, 2021 THROUGH NOVEMBER 11, 2021".

Mr. Wright provided a summary of Resolution 2021-08 and stated that the Resolution allows the District to continue meetings via teleconference or a hybrid model to avoid the transmission of COVID-19.

466.

No Public Comment.

MOTION: The Board of Directors moved to approve the “Consideration of approval for RESOLUTION 2021-08 OF THE BOARD OF DIRECTORS OF SAN BENITO HEALTH CARE DISTRICT PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE EMERGENCY BY GOVERNOR’S STATE OF EMERGENCY DECLARATION ON MARCH 4, 2021, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE PERIOD OCTOBER 12, 2021 THROUGH NOVEMBER 11, 2021”, and was seconded. Moved/Seconded/and unanimously Carried. Ayes: Casillas, Shelton, Johnson, Sanchez, Hernandez. (Roll Call)

Item: Consideration of Approval for Midas Care Management Agreement.

Mr. Robinson stated that the results of the recent Joint Commission Survey established the need for data collection and reporting software that will encompass the reporting for On-Going Professional Practice Evaluation (OPPE) for Medical Staff Quality reporting. Midas Care Management System is a management tool that features modules designed to meet the data needed for OPPE and the QIP program. The system is used by Kaiser, HCA, and Stanford. This is a proven system to meet TJC requirements. This system will also replace Nextplane for Risk Management reporting. This system can be implemented in 6-months, Meditech would take over a year. Mark indicated that under the new QIP 15 to 20 quality metrics need to be tracked so that we can report on 9 metrics. This system will allow the District to potentially secure \$3.2 million annually in QIP funding.

The combined total cost of the software and maintenance agreement for 5-years is \$386,743.

No Public Comment.

MOTION: The Board of Directors moved to approve “Consideration of Approval for Midas Care Management Agreement”, and was seconded. Moved/Seconded/and unanimously Carried. Ayes: Shelton, Johnson, Sanchez, Casillas, Hernandez. (Roll Call)

4. Closed Session

The Board of Directors went into a closed session at 3:19 pm to discuss Reports Involving Trade Secrets, Strategic Planning, Proposed New Programs, and Services.

5. Reconvene Open Session/Closed Session Reported

The Board of Directors reconvened into Open Session at 4:55 pm, Board President, Jeri Hernandez reported that in Closed Session there was no action taken.

6. Adjournment:

There being no further regular business, the meeting was adjourned at 4:55 p.m.

Policy/Procedure Summary of Changes from The Joint Commission Survey 2021

Policy/Procedure	New / Revision / Review	Summary Policy/ Revision / Review	Policy Location	Approval
Patient Complaints & Grievances	Revision	Policy was revised to reflect our current structure and process. "Complaint and Suggestions" forms will be available at the Hospital front lobby desk upon request. (1) When completed by the complainant the receiver will send the form to the Patient Experience Manager (Patient Relations). a. The Quality and Risk Department is open Monday through Friday 8:00am-4pm. The nursing supervisor handles after hours and weekend complaints/grievances.	Patient Experience Standard: RI.01.07.01 EP #1	
Newborn Circumcision	Revision	Revised post-procedure assessments to include pain assessments. Added: "Requires physician order" after sweetease and pacifier, surgical.	Obstetrics Standard: PC.01.02.07 EP #7 Finding #1	
Standard of Care - Well Newborn	Revision	Updated assessments to include pain documentation. B. A complete assessment will be done every shift with checks done every 2-3 hours and documented. C. All infants will be assessed for signs of jaundice each shift. A bilichek will be done on any baby exhibiting signs of jaundice - changed bilichek to all infants rather than optional checks every 24 hrs. Updated reference to guidelines for perinatal care, volume 8, 2017.	Obstetrics Standard: PC.01.02.07 EP #7 Finding #2	
Standard of Care - Unstable Newborn	Revision	Revised policy to outline pain management schedule: B. A complete assessment will be done every shift with checks done every 2-3 hours and documented. C. All infants will be assessed for signs of jaundice each shift. A bilichek will be done on any baby exhibiting signs of jaundice.	Obstetrics Standard: PC.01.02.07 EP #7 Finding #2	
Performance Improvement Program	Revision	Adresses TJC finding related to Quality Assurance and Performance Improvement Plan (QAPI). Policy and QAPI purpose: To develop, implement, and maintain an effective, ongoing, organization-wide, data-driven quality assessment and performance improvement program. QAPI needs to include National Patient Safety Goal for suicide prevention.	Quality PI.02.01.01 NPSG.15.01.01	
Pain Management	Revision	Documentation of Pain Score not matching with Pain medications as ordered secondary to patient choice or nursing judgement must be documented under the pain assessment score and the attending MD notified and made aware and documented in the electronic medication record or in downtime medication record.	Medication Administration MM.06.01.01	
Non-Stress Test	New	Non-Stress Test (NST) is based on the premise that a normal fetus moves at various intervals and that the central nervous system and myocardium respond to movement with accelerations of the fetal heart rate (FHR). Accelerations of the FHR during fetal activity is a sign of well-being.	HR / Clinics Standard: HR.01.05.03 EP #1	
Patient Chart Completed & Locked	New	Charting should be completed during or immediately following the patient visit. Chart notes will be locked by providers rendering care the day the patient visits. Clinic staff will run the unlock visit report weekly (every Monday)	Clinics Standard: RC.01.01.01 EP #5	

48.

Universal Procedure In The Clinics	New	Purpose: To provide guidelines for verification of correct site, correct procedure and correct patient for surgical/invasive procedures for all clinic sites where procedures occur.	Clinics Standard: UP.01.03.01 EP #2	
Informed Consent	New	SBHCD recognizes every adult patient's fundamental right to self determination over his/her body and property. Individuals unable to exercise this right, such as minors and incompetent adults, have the right to be represented by another who will protect their interest and preserve their basic rights. Physicians/Providers have both the legal and ethical duty to the patient/legal representative's consent to medical treatment.	Clinics Standard: RI.01.03.01 EP #1	
Current Vaccine Information Sheet	New	Purpose: To ensure that all current Vaccine Information Sheets (VIS) are given to patients/patient guardians. Nurses to verify dates and current VIS prior to administration of vaccine. The information comes from the CDC website.	Clinics Standard: LD.04.01.01 EP #2	
5150 / Suicide Assesment	New	Addresses NPSG 15.01.01 suicide risk prevention. To provide the emergency department staff guidelines for the use of interventions intended to prevent self-inflicted injuries or death to suicidal patients (pages 2-4 in policy).	Emergency Department NPSG.15.01.01 EP #5	

49.



SUBJECT: Non Stress Test

PURPOSE: The Non Stress Test (NST) is based on the premise that the normal fetus moves at various intervals and that the central nervous system and myocardium respond to movement with accelerations of the Fetal Heart Rate (FHR). Accelerations of the FHR during fetal activity are a sign of fetal well-being.

Indications for NST include but are not limited to:

- Post Dates
- Diabetes Mellitus
- Hypertension
- Suspected Intrauterine Growth Restriction
- Previous history of fetal demise
- Decreased fetal activity
- Advanced maternal age
- Other conditions associated with increased fetal risk

The NST is considered to be reactive when 2 or more FHR accelerations of at least 15 beats above baseline and last at least 15 seconds occur within a 20 minute time frame with or without the perception of fetal movement by women.

Prior to 32 weeks the NST is considered reactive if the FHR increases 10 beats above baseline and lasts at least 10 seconds within a 20-minute window.

If the above criteria are not met within the first 20 minutes, continue to test for another 20 minutes to allow for normal fetal sleep cycles. The accelerations should occur within 40 minutes of testing.

Interpretation of NST:

- **Reactive tracing:** 2 or more accelerations as described above within 40 minutes of testing. A reactive NST is reassuring, indicating less than a 1% chance of fetal death within 1 week of the reactive NST.
- **Non-reactive tracing:** A NST that does not meet the above criteria. A non-reactive NST is not necessarily an ominous sign; rather it indicates a need for further testing.

Procedure:

1. Register patient to the clinic stating the reason for the NST.
2. Obtain urine specimen and run UA using Clinitek Analyzer.
3. Obtain baseline vital signs including weight.
4. Place patient in a comfortable position on her left side for semi-fowlers with left tilt.

5. Explain procedure to patient including how the monitor works and how long the test will take to complete.
6. Apply external fetal monitor and give fluids
7. If NST is not reactive after 20 minutes:
 - a. Palpate the abdomen and move fetus
 - b. Change mother's position
 - c. Continue to monitor for additional 20 minutes
8. Notify physician of test results and any abnormal findings (B/P, urine, etc.)
9. Bring patient to CPSP worker with chart, for health education class.

Documentation:

- Document appropriate information in E Clinical Works on OB flow sheet and notes
- Place monitor strip in labeled envelope and attach to chart for MD/provider interpretation.



Hazel Hawkins
MEMORIAL HOSPITAL

Clinical Policy Signature Approvals

Approval	Signature	Date
Department Director	<i>[Handwritten Signature]</i>	7/27/21
Medical Director	<i>[Handwritten Signature]</i>	7/28/21
*Applicable Sub-Committee		
Quality Director	<i>[Handwritten Signature]</i>	7/30/21
Patient Care Advisory Group	<i>[Handwritten Signature]</i>	8/1/21
Medical Executive Committee	<i>[Handwritten Signature]</i>	8/19/21
District Quality Practice Committee		



RHC/SPECIALTY CLINICS POLICY MANUAL

Dept: Clinics

Reviewed:

Revised: New 6/21

Pg. 1 of 1

SUBJECT: Patient Chart Completed and Locked

PURPOSE: Ensure that patient charts are completed and locked in a timely manner

Procedure:

- Charting is to be done during or immediately following the patient visit. Charting must include a chief complaint, HPI, current medication, any allergies, surgical history, social history, review of systems, physical exam, and assessment.
- Chart notes will be locked by providers rendering care the day of the patient visits.
- ACOG OB flowsheet notes will be the only exception.
- Clinic staff will run the unlock visit report weekly (every Monday)
- Any unlocked chart notes, the provider of record will be notified to complete charting immediately.
- Failure to comply with timely chart completion can result in disciplinary action up to and including termination. Providers employed by the San Benito Healthcare District will result in a referral to Clinic Director and Human Resources, and contracted providers will be referred to hospital administration for deviation of contractual obligations.



Hazel Hawkins
MEMORIAL HOSPITAL

Clinical Policy Signature Approvals

Approval	Signature	Date
Department Director	<i>[Signature]</i>	7/27/21
Medical Director	<i>[Signature]</i>	7/28/21
*Applicable Sub-Committee		
Quality Director	<i>[Signature]</i>	7/30/21
Patient Care Advisory Group	<i>[Signature]</i>	8/9/21
Medical Executive Committee	<i>[Signature]</i>	8/19/21
District Quality Practice Committee		

San Benito Health Care District – RHC/Specialty Offices
 Prospective / Concurrent Medical Record Review Audit Tool

Expected Outcomes to be 95-100%

CLINIC SUMMARY LIST	NAME OF CLINIC _____ MONTH/YEAR OF SERVICE _____															
	MR:			MR:			MR:			MR:			MR:			COMMENTS ACTION TAKEN
	Y	N	NA	Y	N	NA	Y	N	NA	Y	N	NA	Y	N	NA	
1. Informed consent provided and documented in EMR by servicing MD/Provider																
2. Procedure consent signed by patient and witness, scanned into EMR																
3. Time out procedure completed and documented in patient EMR																

Provider: _____

MA/EVN: _____

Date of Audit _____

 Signature of Person Conducting Audit

Numerator= finding of compliance (number of compliant documentation) Denominator= number of charts audited (number of procedures conducted in the month)

53.



SUBJECT: Universal Procedure in the Clinics

PURPOSE: To provide guidelines for verification of correct site, correct procedure and correct patient for surgical/invasive procedures for all clinic sites where procedures occur.

POLICY:

Prior to the start of any surgical/invasive procedure certification of correct site, procedures, and patient will be completed in a collaborative manner by the involved medical staff and documented in the patient record.

- Procedures involving right/left distinction (laterality), multiple structures (such as fingers, toes) or multiple levels. Marking directly over the surgical site will be avoided
- Procedure marking may be exempt from site marking when it is technically or anatomically impossible or impractical to mark the site. Examples would be mucosal surfaces or perineum, interventional procedure cases, open wounds, lesions, or premature infants.
- The physician/provider performing this procedure will mark the correct site with his/her initial prior to the procedure being started.
- A "time-out" will be conducted immediately prior to the start of the procedure in the location where the procedure will be done. All members of the team will participate, using active communication and verify at least the following: correct patient, correct site, correct procedure, correct patient position and availability of correct equipment or special requirements. If there is a discrepancy, the procedure will not move forward until all discrepancies are resolved to the complete satisfaction of the team.
- A time-out will be completed between procedures/sites when more than one is taking place and or the physician performing the procedure changes.
- The time-out completion will be documented within the patient medical record.

Procedure:

Patient Identification:

Upon admission to the clinic and prior to marking the operative site, the correct patient, correct site, and correct procedure will be verified by the medical team attendant.

1. When patient is roomed, ask the patient to state his/her name, date of birth and procedure to be performed.
2. Verify the patient's full name, date of birth, and procedure with the patient chart.

Staff/Provider Education:

1. Education for this policy and procedure is provided through in-services for staff during clinic orientation and staff meetings. Education for physicians/providers will be provided during orientation.

Compliance:

1. Compliance with this policy will be monitored and reported by the Performance Improvement Patient Safety Committee. Case recorded reviews, direct observation and focused study will confirm that procedures were followed. Follow up education will be provided to staff/providers as needed based on the reported monitoring results.

In the event of a wrong patient, procedure or site occurrence:

1. The physician/provider will direct the plan of care and inform the patient and/or significant other of the occurrence.
2. File report of incident via NextPlane notifying risk management.
3. A root cause analysis will be conducted.



Hazel Hawkins
MEMORIAL HOSPITAL

Clinical Policy Signature Approvals

Approval	Signature	Date
Department Director	<i>[Signature]</i>	7/27/21
Medical Director	<i>[Signature]</i>	7/28/21
*Applicable Sub-Committee		
Quality Director	<i>[Signature]</i>	7/30/21
Patient Care Advisory Group	<i>[Signature]</i>	8/3/21
Medical Executive Committee	<i>[Signature]</i>	8/3/21
District Quality Practice Committee		



SUBJECT: Informed Consent

POLICY: San Benito Healthcare District recognizes every adult patient's fundamental right to self determination over his/her body and property. Individuals who are unable to exercise this right, such as minors and incompetent adults, have a right to be represented by another who will protect their interest and preserve their basic rights.

Physicians/providers have both a legal and ethical duty to the patient/legal representative's consent to medical treatment.

PROCEDURE:

Informed Consent:

A properly executed informed consent contains the following:

- Name of patient, and when appropriate, patient's legal guardian
- Name of the hospital
- Name of specific procedure, no abbreviations
- Name of physician/provider performing the procedure
- Risks, benefits, possible complications
- Alternative procedures, treatments and therapies risks and benefits.
- Signature of patient or legal guardian
- Date and time consent is obtained
- Statement that the procedure was explained to the patient or guardian
- Signature of medical staff witnessing consent
- Signature of physician/provider who explained the procedure to the patient or guardian

Requirements for written informed consent:

A written informed consent is required for:

- All invasive/surgical procedures
- Autopsy
- Leaving the hospital/clinic against medical advice
- Patient photographs taken in the hospital/clinic
- Administration of specific vaccines

Once informed written consent has been completed and signed by the physician/provider and the patient or guardian, the physician/provider will document in the patient's medical record reflecting that the consent was obtained.

Exceptions to the informed consent requirement:

- In the case of an incompetent patient adult where the signature of the patient's representative appointed surrogate, closest relative or court-appointed conservator is acceptable.
- When a minor has the legal right and responsibility to consent to his/her own care
- In a medical emergency where the patient or legal guardian/representative's consent is not obtainable and the circumstances are clearly documented by the physician/provider in the patient's medical record in the performance of "simple and common" procedures such as phlebotomy, simple medication injections as defined by the medical staff and covered by the general admission consent.
- For elective sterilization, sterilization procedures are performed in conformity with state and federal law.



Hazel Hawkins
MEMORIAL HOSPITAL

Clinical Policy Signature Approvals

Approval	Signature	Date
Department Director	<i>[Signature]</i>	7/27/21
Medical Director	<i>[Signature]</i>	7/28/21
*Applicable Sub-Committee		
Quality Director	<i>[Signature]</i>	7/30/21
Patient Care Advisory Group	<i>[Signature]</i>	8/9/21
Medical Executive Committee	<i>[Signature]</i>	9/14/21
District Quality Practice Committee		



RHC/Specialty POLICY MANUAL

Dept: Clinics

Reviewed:

Revised: New 6/2021

Pg. 1 of 1

SUBJECT: Current Vaccine Information Sheet.

PURPOSE: To ensure that all current Vaccine Information Sheets (VIS) are given to patients/patient guardian

Procedure:

Nurses to verify that the current VIS is provided to the patient/patient guardian prior to vaccines being administered. VIS information is printed from the CDC website and dates are compared to ensure that current VIS is being provided.

If there are any discrepancies with the VIS dates in the EHR, the following procedure will be followed:

- Notify Director/Manager and Information Technology of the discrepancy with the date.
- The nurse administering the vaccine will document in the EHR that the current VIS was provided with the date of the current VIS given to patient/patient guardian.
- VIS will be scanned into the chart with the current date, "VIS given to parent or guardian" and nurses signature.



Hazel Hawkins
MEMORIAL HOSPITAL

Clinical Policy Signature Approvals

Approval	Signature	Date
Department Director	<i>[Signature]</i>	7/27/21
Medical Director	<i>[Signature]</i>	7/28/21
*Applicable Sub-Committee		
Quality Director	<i>[Signature]</i>	7/30/21
Patient Care Advisory Group	<i>[Signature]</i>	8/2/21
Medical Executive Committee	<i>[Signature]</i>	8/2/21
District Quality Practice Committee		

San Benito Health Care District – RHC/Specialty Offices
 Prospective / Concurrent Medical Record Review Audit Tool

Expected Outcomes to be 95-100%

CLINIC SUMMARY LIST		NAME OF CLINIC _____												MONTH/YEAR OF SERVICE _____		
INDICATOR	MR:			MR:			MR:			MR:			MR:			COMMENTS ACTION TAKEN
	Y	N	NA	Y	N	NA	Y	N	NA	Y	N	NA	Y	N	NA	
1. Current Photo in EMR (Yearly for adults and adolescence, children)																
2. Provider locking charts within 24 hours of visit.																

Provider: _____

MA/LVN: _____

Date of Audit _____

 Signature of Person Conducting Audit

Numerator= finding of compliance (charts locked by provider) Denominator= number of charts audited (50 charts/month)

60-



Suicide Assessment/Self-harm behavior (patients on 5150)

I. PURPOSE:

To provide Emergency department staff guidelines for the use of interventions intended to prevent self-harm, injuries or death in suicidal patients.

II STANDARD

- A. Hospital staff will identify and initiate assessment of patients at risk for suicide
- B. All patients being evaluated or treated for behavioral health conditions as their primary reason for care will be screened for risk of harm to self or others.
- C. Staff will provide appropriate care to ensure safe environment, to prevent self-harm until the patient can assume self-responsibility or transferred to facility that provides mental health services, determined by the, San Benito County Mental Health clinician.

POLICY

- A. Hazel Hawkins Memorial Hospital (HHMH) does not have a designated in-patient treatment program for psychiatric disorders or substance abuse. Instead, San Benito County Mental Health (SBCMH) provides 24-hour crisis intervention, counseling, and evaluation.
- B. ED RN will complete a validated suicide screening, and when appropriate an assessment, on patients being evaluated or treated for 5150/behavioral health conditions as their primary reason for care.
 - 1. Staff will complete the suicide risk assessment to determine the suicide risk level each shift/change of condition. **(See attachment A)**
 - 2. Staff will complete room assessments to mitigate risk factors by modifying environment, each shift/change of condition. **(See attachment B)**
 - 3. ED director/staff will conduct room assessment audits annually to include any physical environmental ligature risks of patient room/bathroom(s) or any significant changes to the care areas. **(See addendum)**
 - 4. Use of restraints in strict accordance with HHMH restraints policy.



Reviewed:

Revised: 07/2021

- C. The Emergency Department (ED) Medical Doctor (MD) may request a mental health evaluation for patients who present to the ED for treatment that are not on a 5150 hold, and if the physician believes they are a danger to themselves or others.
- D. The San Benito County Board of Supervisors has designated the classes that define who may initiate involuntary holds.
 - 1. The ED MD may institute an involuntary hold as defined by the California Health and Safety code section 1799.
 - 2. Peace Officers exercising jurisdiction within either the county of San Benito or any incorporated area within the county.
 - 3. Designated San Benito County Mental Health Department workers.

II. PROCEDURES:

Suicide Precaution: HIGH LETHALITY RISK LEVEL (1:1)

This procedure includes adults (ages 18 and older) and pediatrics (patients ages 17 and younger).

- A. The patient is to be placed in the most appropriate room. Attempts will be made to place any patient with a high lethality risk close to the nurse's station.
- B. The plan of care/treatment will be updated and documented to reflect the patient's current care in a timely manner.
- C. HHMH staff cannot physically restrain a patient unless they become combative or violent and threaten themselves or others.
- D. If the patient is determined to be at high risk for self-harm or a threat to others, immediate safety measures must be implemented to ensure staff and patient safety. Safety measures will include the following, but not limited to:
 - 1. Providing 1:1 constant observation is required for these patients by security/staff who will remain in immediate proximity to the patient, maintaining at least an arm's length distance from the patient.
 - 2. Maintaining distance less than 3 feet is contraindicated for patients at risk of harming others.
 - 3. Patient's bathroom, eating area, sleeping area, and dressing area need to be clear of any items which could cause harm to staff or the patient and create access problems.
 - 4. When the patient uses the bathroom/shower room security/staff will remain in the bathroom/shower room with the patient. Female patients must have a female in the bathroom/shower room.



5. Limiting patient access to anything that could be used to harm themselves or others. To include but not limited to:
 - Knives, forks, sharp objects, pins, outlets, plastic bags, glass or metal objects, aluminum cans, medications, strings, cords, or restraints if not in use.
- E. Patients shall be placed in a gown or paper scrubs.
- F. All personal belongings will be removed from the patient/room and inventoried/secured. Per HHMH policy.
- G. A patient observation form must be completed (**See attached C**)
- H. At the discretion of the ED staff, visitors may be allowed. Visitors will not be allowed to take items to patients unless cleared by ED staff.
- I. The Police will be contacted for patients who become violent, combative, attempt to leave, or have left while on a 5150 hold.
- J. Before calling SBCMh to evaluate the patient, the ED MD must perform a Medical Screening Exam (MSE) to determine if the patient is medically cleared.
- K. SBCMh is responsible for:
 1. Pre-HHMH discharge, SBCMh will provide a follow-up outpatient referral/appointment arrangement per the patient's needs.
 2. They will complete the patient's 5150 form/assessment and the Crisis documentation per SBCMh polices.
 3. SBCMh will report back to the ED MD their evaluation/assessment findings and recommendations.
 4. Arrange for admission at a psychiatric facility, if needed, following SBCMh policies.
 5. Obtain the receiving hospital information.
 6. Obtain receiving MD information.
- L. ED staff will follow the HHMH policy for transferring patients and appropriate required documentation.

III. **Suicide Precaution: LOW LETHALITY RISK LEVEL:**

To include adults (ages 18 and older) and pediatrics patients (ages 17 and younger).

- A. The patient is to be placed in the most appropriate room.
- B. HHMH staff cannot physically restrain the patient unless they become combative or violent and threaten themselves or others.
- C. If the patient is determined to be at high risk for self-harm or a threat to others, follow the HIGH LETHALITY RISK LEVEL (1:1) procedure.
- D. The patient will be under constant observation utilizing security/staff members.



Reviewed:

Revised: 07/2021

1. Security/Staff must remain in the immediate proximity of the patient.
At times staff/security may observe/document on two (2) low-risk patients. A patient observation form must be completed for each of these patients.
2. Limiting patient access to anything that could be used to harm themselves or others. To include but not limited to:
Knives, forks, sharp objects, pins, outlets, plastic bags, glass or metal objects, aluminum cans, medications, strings, cords, or restraints if not in use.
- E. Patients shall be placed in a gown or paper scrubs.
- F. All personal belongings will be removed from the patient/room and inventoried/secured.
- G. When the patient uses the bathroom or is show room, security/staff members will be directly outside the bathroom/shower room with the door(s) unlocked.
- H. At the discretion of the ED staff, visitors may be allowed to visit the patient. Visitors will not be allowed to take items to patients unless cleared by ED staff.
- I. The Police will be contacted for patients who become violent, combative, attempt to leave, or have left while on a 5150 hold.
- M. Before calling SBCMh to evaluate the patient, the ED MD must perform a MSE to determine if the patient is medically cleared.
- N. SBCMh is responsible for:
 1. Pre-HHMH discharge, SBCMh will provide a follow-up outpatient referral/appointment arrangement per the patient's needs.
 2. They will complete the patient's 5150 form and the Crisis Form documentation per SBCMh polies.
 3. SBCMh will report back to the ED MD their evaluation/assessment findings and recommendations.
 4. Arrange for admission at a psychiatric facility, if needed, following SBCMh policies.
 5. Obtain the receiving hospital information.
 6. Obtain receiving MD information.
- O. ED staff will follow the HHMH policy for transferring patients and appropriate required documentation

IV. EDUCATION: Suicide lethality and Room risk assessment.

This section of the policy defines who receives education on suicide lethality/room risk assessment, expectations after education.

- A. Who are trained:

cel.



Reviewed:

Revised: 07/2021

1. Staff members including RNs, Ward Clerks, ED Techs, and Security staff, receive education on suicide lethality and room risk assessments.
- B. Expectations:
 1. Staff members must be able to verbalize understanding of the education module for suicide risk patients and room assessments.
 2. Staff members must complete a competency post-test with a score of 100%. The competency test will be based off of this policy and procedure.
 3. RN's must complete a suicide lethality/ assessment and room assessment for a suicide risk patient(s).
- C. Educational time frames:
 1. Staff members will receive education on this policy during their orientation period.
 2. All staff members will receive continuing education annually regarding this policy and procedure.
- D. Documentation:
 1. Leaders will maintain all tests and sign off sheets confirming the employee educational training and dates of the training.

V. **DEFINITIONS & CRITERIA:**

- A. Continuous 1:1 observation
 1. One staff member/security per high lethality risk level patient. Observation of one (1) patient at all times, including while the patient uses the bathroom or showers. Staff must be in one arm-length proximity from the patient.
- B. Ligature Point
 1. Anything used to attach a cord, rope, or other material for hanging or strangulation purposes.
- C. Lethality
 1. The likelihood of a patient acting on ideation of harm to self or others.
- D. Criteria for 1:1 observation
 1. If a patient is violent on arrival or becomes violent during any phase of the treatment process in the ED.
 2. If the high-risk suicide patient comes into the ED. with restraints.
 3. High lethality risk with current attempt to harm self/suicide.
 4. Suicidal ideations with a concrete plan or course of action.
 5. Command hallucinations to self-harm.

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- E. Criteria for who and where a 5150 hold can be placed and released.
1. Peace officers may initiate a 5150 hold for evaluation either in the field, in the ED, or at the request of the ED MD or SBCMh.
 2. The Peace Officer is responsible for completing the 5150 Form; the original 5150 form is to stay with the patient record; the Peace Officer will also advise the patient of the detainment.
 3. Peace Officers are not required to stay with 5150 patients.
 4. SBCMh may discontinue a 5150 hold per their policies.

DOCUMENTATION

5150 Form
ED Record
Suicide risk assessment
Room assessment
Patient Observation Form
Transfer Form if appropriate

DESIGNEE

MD
RN
Ward Clerk
Security

REFERENCES

The Joint Commission suicide risk (NPSG 15.01.01)

R3 Report issue 18: National Patient Safety Goal for suicide prevention Nov. 27, 2019
https://www.jointcommission.org/standard_information/r3_report.aspx

National Patient Safety Goals Effective January 2020.
https://www.jointcommission.org/assets/1/6/NPSG_Chapter_HAP_Jan2020.pdf



Reviewed:

Revised: 07/2021

Addendum 1

Physical Environment Ligature Risk: Patients at Risk for Suicide

Room 2,3,4,5,6,7,8,9,10,12,13,14,15

Risk	Harm	Prevention
Gurney	ligature risk, potential self-harm, patient could use to ram doors, could be flipped over	Stay within arm's reach of patient
Door hardware	ligature risk, potential self-harm	Stay within arm's reach of patient
Cupboard handles	ligature risk, potential self-harm	Stay within arm's reach of patient
Celling screws, fire alarm	ligature risk, potential self-harm	Always stay within arm's reach of patient
Cords to monitor	ligature risk, potential self-harm	Always stay within arm's reach of patient
Otoscope	ligature risk, potential self-harm	Always stay within arm's reach of patient
Suction/tubing	ligature risk, potential self-harm	Always stay within arm's reach of patient
Call light	ligature risk, potential self-harm	Always stay within arm's reach of patient
Over-bed light	ligature risk, potential self-harm	Always stay within arm's reach of patient
Supply baskets on rail	ligature risk, potential self-harm	"
BP monitor/cuff on rail	ligature risk, potential self-harm	"
Sharps container	ligature risk, potential self-harm	"
Hand sanitizer/ holder	ligature risk, potential self-harm	"
Paper towel dispenser	ligature risk, potential self-harm	"
Curtain/curtain rail	ligature risk, potential self-harm	"
Chairs	ligature risk, potential self-harm	"
Bedside table	ligature risk, potential self-harm	"
Picture on wall	ligature risk, potential self-harm	"
Sink/ faucet	ligature risk, potential self-harm	"
Soap dispenser	ligature risk, potential self-harm	"
O2 hoses/gages	ligature risk, potential self-harm	"
Ambu bags	ligature risk, potential self-harm	"
Emesis bags/holder	ligature risk, potential self-harm	"
Gloves/box holder	ligature risk, potential self-harm	"
IV poles	ligature risk, potential self-harm	"
O2 tanks	ligature risk, potential self-harm	"

cel.



Reviewed:

Revised: 07/2021

Addendum 1

Physical Environment Ligature Risk: Patients at Risk for Suicide

Bathrooms

Risk	Harm	Prevention
Sink	Ligature risk, potential self-harm	Always stay within arm's reach of patients
Faucet	Ligature risk, potential self-harm	Stay within arm's reach of patients
Soap dispenser	Ligature risk, potential self-harm	Stay within arm's reach of patient
Paper towel dispenser	Ligature risk, potential self-harm	Stay within arm's reach of patient
Toilet	Ligature risk, potential self-harm	Stay within arm's reach of patient
Fire alarm on wall	Ligature risk, potential self-harm	Stay within arm's reach of patient
Light fixtures	Ligature risk, potential self-harm	Stay within arm's reach of patient
Toilet seat cover dispenser	Ligature risk, potential self-harm	Stay within arm's reach of patient
Garbage bin	Ligature risk, potential self-harm	Stay within arm's reach of patient
Emergency call light/cord	Ligature risk, potential self-harm	Stay within arm's reach of patient
Sanitary pads garbage bin	Ligature risk, potential self-harm	Stay within arm's reach of patient
Ceiling screws	Ligature risk, potential self-harm	Stay within arm's reach of patient
Door hinges	Ligature risk, potential self-harm	Stay within arm's reach of patient
Mirror	Ligature risk, potential self-harm	Stay within arm's reach of patient
Ceiling screws	Ligature risk, potential self-harm	Stay within arm's reach of patient

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Reviewed:

Revised: 07/2021

Physical Environment Ligature Risk: Patients at Risk for Suicide

Room 1

Risk	Harm	Prevention
Gurney	ligature risk, potential self-harm, patient could use to ram doors, could be flipped over	Stay within arm's reach of patient
Door hardware	ligature risk, potential self-harm	Stay within arm's reach of patient
Cupboard handles	ligature risk, potential self-harm	Stay within arm's reach of patient
Celling screws, fire alarm	ligature risk, potential self-harm	Always stay within arm's reach of patient
Double door are locked	ligature risk, potential self-harm	Always stay within arm's reach of patient
If doors are unlocked		
Otoscope	ligature risk, potential self-harm	Always stay within arm's reach of patient
Suction/tubing	ligature risk, potential self-harm	Always stay within arm's reach of patient
Cords to monitor	ligature risk, potential self-harm	"
Over-bed light	ligature risk, potential self-harm	"
Supply baskets on rail	ligature risk, potential self-harm	"
BP monitor/cuff on rail	ligature risk, potential self-harm	"
Sharps container	ligature risk, potential self-harm	"
Hand sanitizer/ holder	ligature risk, potential self-harm	"
Paper towel dispenser	ligature risk, potential self-harm	"
Call light	ligature risk, potential self-harm	"
Chairs	ligature risk, potential self-harm	"
Bedside table	ligature risk, potential self-harm	"
Picture on wall	ligature risk, potential self-harm	"
Sink/ faucet	ligature risk, potential self-harm	"
Soap dispenser	ligature risk, potential self-harm	"
O2 hoses/gages	ligature risk, potential self-harm	"
Ambu bags	ligature risk, potential self-harm	"
Emesis bags/holder	ligature risk, potential self-harm	"
Gloves/box holder	ligature risk, potential self-harm	"
IV poles	ligature risk, potential self-harm	"

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Hazel Hawkins MEMORIAL HOSPITAL

Clinical Policy Signature Approvals

Approval	Signature	Date
Department Director		07/28/21
Medical Director		07/28/21
*Applicable Sub-Committee		
Quality Director		7-28-21
Patient Care Advisory Group		07/28/21
Medical Executive Committee		07/28/21
District Quality Practice Committee		



Reviewed:

Revised:

New: 9/14/2021

SUBJECT: Cervical Spine Clearance

PURPOSE:

To identify adult patients who have been subjected to traumatic injuries that could result in a cervical spine injury and includes:

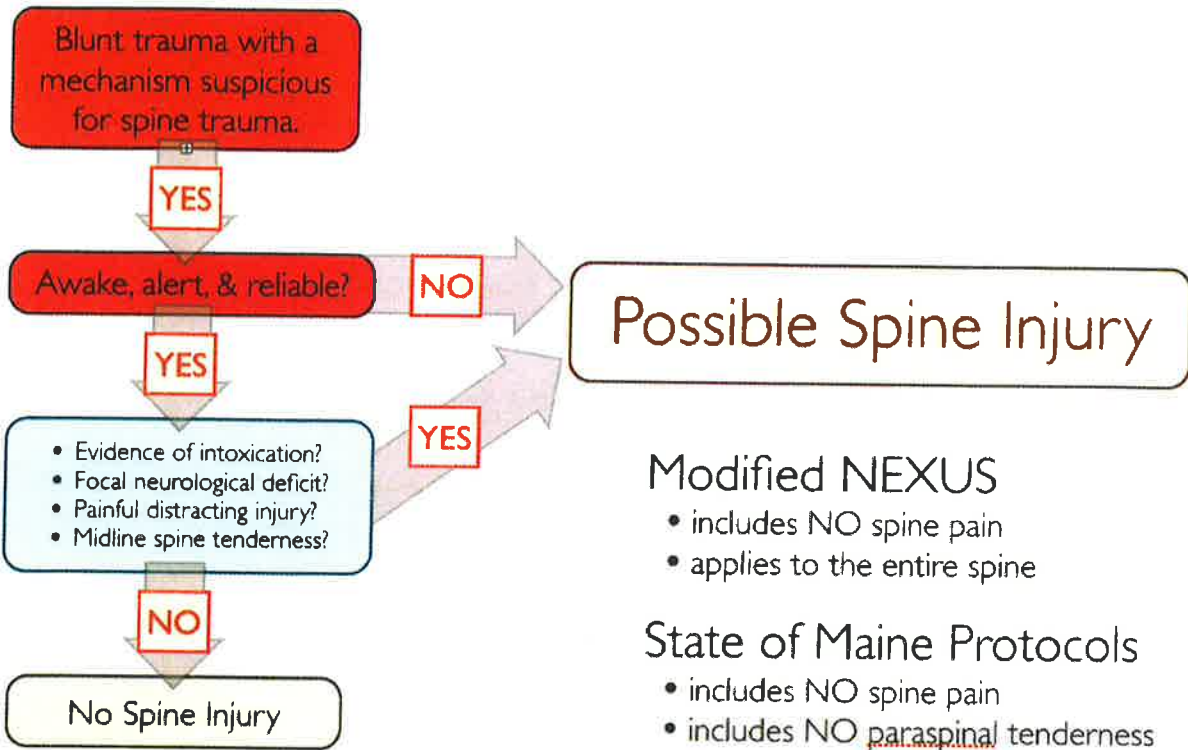
- Injured patients arriving in cervical spine collar precautions
- Patients who arrive by private vehicle or walk into the Emergency Department without a cervical collar in place

PROCEDURE:

1. The patient meeting trauma triage criteria is at risk of cervical spine injury. The patient will need either radiographic or clinical clearance of his/her cervical spine.
2. Clinical clearance of a C-spine injury can be determined if **ALL** of the following circumstances are met.
 - a. The patient is alert, awake and appropriate (GCS 15) and is not clinically intoxicated.
 - b. The patient denies neck pain and the patient does not have other significant injuries which may distract them from recognizing actual or potential pain in the cervical spine area.
3. Cervical spine imaging is required if any of the above criteria is not met.
4. The patient will remain in cervical spine precautions until:
 - a. The patient becomes awake, alert and appropriate (GCS 15) and meets all of the above clinically negative criteria.
 - b. A CT from the occiput to T1 with sagittal and coronal reconstructions demonstrates no injury. (plain radiographs contribute no additional information and should not be obtained)
5. If the CT of cervical spine demonstrates injury, obtain a spine consultation or transfer to a trauma center able to care for a higher level of care.
6. If there are neurological deficits attributable to cervical spine injury, obtain a spine consultation and obtain an MRI or transfer for a higher level of care.
7. For a neurologically intact awake and alert patient complaining of neck pain with a negative CT:
 - a. Continue cervical collar
 - b. The cervical collar may be removed after a negative MRI
8. For the obtunded patient with a negative CT and gross motor function of all four extremities:
 - a. Continue cervical collar immobilization until a clinical examination can be performed.
9. A field collar should be changed into an Aspen Collar if need for a collar is longer than 24 hours to prevent further injury.
10. The ED MD will document the status of cervical spine clearance in Meditech.

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NEXUS



Modified NEXUS

- includes NO spine pain
- applies to the entire spine

State of Maine Protocols

- includes NO spine pain
- includes NO paraspinal tenderness
- applies to the entire spine

Policy Initiated by	Position of Signer	Name (printed)	Signature	Date
Department Director	Director	Shanell Kerkes	[Signature]	10.4.21
Medical Director	Medical Director	M. BOGEY, MD.	[Signature]	10.4.21
Applicable Sub-Committee				

Clinical Policy Approval

Approval	Position of Signer	Name (printed)	Signature	Date
Patient Care Advisory Group	CRO	M. BOGEY, MD.	[Signature]	10.4.21
Medical Executive Committee	Chief of Staff	Michael Bogey MD.	[Signature]	10.20.21
Board of Directors				



**MEDICAL EXECUTIVE COMMITTEE
CREDENTIALS REPORT
OCTOBER 20, 2021**

NEW APPOINTMENTS

PRACTITIONER	DEPT/SERVICE	STATUS REQUEST	PROCTOR ASSIGNED
Gabriel, Nick DO	Surgery: General Surgery	Provisional	
Mitchell, S. Todd MD	Medicine: Hospitalist (FP)	Provisional	

REAPPOINTMENTS

PRACTITIONER	DEPT/SERVICE	STATUS	TERM
Carrillo, Ray MD	Medicine: Clinic Nephrology	Consulting	2 yr

ADDITIONAL PRIVILEGES

PRACTITIONER	FIELD	SERVICE
Hosohama, Misa MD	Radiology/Radiology	Requests CT-Guided Biopsies

AHP – REAPPOINTMENTS

PRACTITIONER	DEPT/SERVICE	STATUS	TERM
Godbout, Joseph PA-C	Clinic: Family Practice	Current	2 yr
Kusumoto, Ray PA-C	Clinic: Family Practice	Current	2 yr

CHANGE OF STATUS/DEPARTMENT

PRACTITIONER	DEPT/SERVICE	CURRENT STATUS/DEPT	REQUESTED STATUS/DEPT
Church, Ellen PA-C	Emergency: PA-C		Resign-did not sign with USACS



SUBJECT: TELEMEDICINE CREDENTIALING

PURPOSE:

To establish policies and procedures for credentialing physicians for privileges exercised through telemedicine (as defined below).

POLICY:

Hazel Hawkins Memorial Hospital as the originating site for telemedicine (as defined below) will follow The Joint Commission standards for approving practitioners at the distant site (as defined below) and in evaluating services provided at the distant site.

Originating site: The site where the patient is located at the time the service is provided.

Distant site: The site where the practitioner is exercising his or her privileges.

PROCEDURE:

- A. Practitioners who prescribe, render a diagnosis, or otherwise provide clinical treatment to a patient at Hazel Hawkins Memorial Hospital through telemedicine are subject to the credentialing and privileging processes of the Hospital.
- B. When telemedicine services will be provided by a practitioner at a distant site which (a) is an organization accredited by The Joint Commission and (b) has been approved by the Medical Staff to provide such telemedicine services, the Hospital may credential the practitioner through one of the following mechanisms:
 - 1. The practitioner may be privileged at the Hospital using the credentialing information from the distant site.
 - 2. The Hospital may use the credentialing and privileging decision from the distant site to make a final privileging decision if all of the following requirements are met:
 - a) The practitioner is privileged by the distant site for those services to be provided at Hazel Hawkins Memorial Hospital.
 - b) Hazel Hawkins Memorial Hospital has evidence of an internal review of the practitioner's performance of these privileges and sends to the distant site information that is useful to assess the practitioner's quality of care, treatment, and services for use in privileging and performance improvement. At minimum, this information includes all adverse outcomes related to sentinel events considered reviewable by The Joint Commission that result from the telemedicine services provided and complaints about the distant site licensed independent practitioner from patients, licensed independent practitioners, or staff at the originating site.

Handwritten initials, possibly "26", in the bottom right corner of the page.

Upon presentation of evidence of the privileges granted by the distant site and acceptance thereof by the appropriate Department Chair, the Hospital's Medical Executive Committee, and the Hospital's governing board, the practitioner holding such privileges from the distant site shall be granted identical privileges at Hazel Hawkins Memorial Hospital. No privileges will be granted for services not performed at Hazel Hawkins Memorial Hospital. Practitioners receiving clinical privileges at Hazel Hawkins Memorial Hospital in this manner shall not be members of the Medical Staff and shall have no rights afforded to members, but shall be required to comply with all provisions of the Medical Staff Bylaws, Rules & Regulations, other related Hospital policies, all Medical Staff policies, and all Department rules and policies applicable to the exercise of their clinical privileges at Hazel Hawkins Memorial Hospital, except as modified by this policy.

- C. The following are not required for any physician providing telemedicine services except as indicated below:
1. Immunizations, alternate agreements, and orientations will not be required if the applicant will never be physically practicing at this site.
 2. The practitioner must obtain and maintain at all times an active license to practice medicine in the state of California, and in the practitioner's home state, province, country, or other applicable jurisdiction. Failure to comply with this practice shall result in termination of the practitioner's telemedicine privileges. The practitioner must obtain and maintain at all times such clinical privileges at Hazel Hawkins Memorial Hospital as are required for the performance of all aspects of the practitioner's obligations to Hazel Hawkins Memorial Hospital.
- D. The practitioner shall be subject to the same quality and peer review standards as other practitioners with the same clinical privileges at Hazel Hawkins Memorial Hospital.
- E. The practitioner shall maintain competency as demonstrated through the credentialing and privileging process at Hazel Hawkins Memorial Hospital and through the applicable FPPE and OPPE process.
- F. The practitioner shall be subject to the same professional liability insurance requirements as other practitioners with the same clinical privileges at Hazel Hawkins Memorial Hospital.
- G. The practitioner shall be subject to the same board eligibility and board certification standards as other practitioners with the same clinical privileges at Hazel Hawkins Memorial Hospital.
- H. The Medical Staff shall determine which clinical services are acceptable for delivery through telemedicine, according to commonly accepted quality standards. The relevant department chairs shall recommend to the Medical Staff Executive Committee the clinical services to be offered through telemedicine. This recommendation will be reviewed as necessary.
- I. The loss or suspension of any license or of any clinical privilege granted by the distant site must be reported immediately to Hazel Hawkins Memorial Hospital and shall result in the immediate relinquishment of any and all telemedicine privileges with no right to a

hearing or appeal as outlined in the Medical Staff Bylaws and related manuals. In the event, however, that any such relinquishment of privileges would be a "Professional Review Action" as defined in the National Practitioner Data Bank regulations (45 CFR Part 60), full hearing and appeal rights shall be afforded to the practitioner in accordance with the Medical Staff Bylaws. The Hospital, Medical Staff, and distant site shall share the information available to them regarding any adverse action (as such item is defined in the Medical Staff Bylaws and related manuals) taken against a practitioner at the Hospital or the distant site.

- J. The department shall establish a quantitative and qualitative method to evaluate the telemedicine services provided by the distant site.
- K. All telemedicine services will be evaluated for quality of care standards, timeliness, and appropriateness through the Medical Staff quality process.
- L. The distant site will comply with all HIPAA, CMS and Joint Commission requirements.
- M. In the event of any conflict between the provisions of this policy and any provision of the Medical Staff Bylaws, Rules and Regulations, policies, department rules or policies, or other standards previously adopted by the Medical Staff or any of its departments, the provisions of this policy shall control, and the departure from any such previous provision shall be deemed a waiver thereof by the Medical Staff and the Board.

Approvals:

Medical Executive Committee: 10/20/2021

Board of Directors:



Hazel Hawkins

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SAN BENITO HEALTH CARE DISTRICT

CEO's Administrative Report

October 28th, 2021

To: SBHCD Board

COVID-19 Pandemic Surge

I will provide a verbal update on the infection rate, hospitalizations, and the vaccine initiative at the Board meeting ([COVID – 19 online data](#)).

- CDC data, SB County data, and FDA booster shot information

Administrative General Updates

Administration Dashboard:

By the November Board meeting, I will be including the newly created Administration Dashboard which gives a summary of several key metrics for maintaining awareness of HHMH's performance in the areas of quality of care provided, patient experience, financial performance, and employee satisfaction. The Board Patient Experience Committee is reconvening starting in early November and the committee will be finalizing the format of the DRAFT dashboard that has been created.

Organizational Leadership:

Barbara Vogelsang, who started as the Interim CCO for HHMH on September 7th, was selected as the long-term CCO effective November 8th. After interviews with a total of 3 candidates, Ms. Vogelsang was chosen because of her deep passion for providing clinical leadership to HHMH, her ability to coach, mentor, and hold accountable the clinical leaders, and her understanding of the importance of communicating effectively with the clinical teams across the organization. In addition, she has a broad educational background in advanced degrees related to healthcare and is dedicated to working with myself and the other executives and the Board to lead HHMH into the future.

As I noted last month, we are strategically planning for the leadership needs of the hospital's ambulatory service lines as the provider recruitment and other growth plans are implemented, and



Hazel Hawkins

MEMORIAL HOSPITAL

the need for expanded diagnostic imaging and other outpatient services. With the planned recruitment of 30+ providers over the next few years, the potential for additional medical office building (MOB) space to be put into service, expanding outpatient diagnostic and screening services, and other growth plans, HHMH will need a structure that provides additional leadership for those initiatives. I have assessed the Interim COO VP of HR role and the Administrative Team has decided to recruit an Associate VP HR so that the Interim COO can focus time and energy on ambulatory service initiatives.

SBHCD Strategic Plan:

As noted last month, we are scheduling an onsite full master plan presentation to the Board to occur in November or December. The previous plan to have it occur in early October has been delayed due to an unforeseen change in the planner's schedule which should be resolved by mid-November. In addition, the financial modeling scope of work from Adams Management should be finalized and ready for review and approval at the November Board meeting.

Corporate Compliance Plan and Quality/Risk Management Best Practice:

As stated last month, a compliance update during a brief closed session will occur at each Board meeting going forward. There will also be a Quality/Risk Management update during the closed session. This is an industry best practice to ensure that Governing Boards are well informed of any significant compliance, quality of care, or risk management issues and these are being implemented at the advice of District legal counsel.

Legal Counsel District activities:

Gary Ray, District general counsel, and Anne Olson, District labor counsel have both assisted in various contracting and policy development efforts during the past month.

Medical Staff updates

Provider Agreements/Updates:

Recruitment for 1 to 2 orthopedists continues. This is a critical recruit to ensure that HHMH retains coverage for orthopedic cases presenting to the ER and for the ongoing orthopedic needs of the communities that we serve.

In addition to having a full-time private practice in Hollister, Dr. Carota has been providing part-time clinic-based professional and medical director services at the hospital's Mabie First Street clinic since 2016. He recently transitioned from his full-time private practice and beginning in November, he will provide additional professional services of up to 16 hours per week and Medical Director



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services of up to 10-16 hours per month. This is an update according to the new Physician Contracting Policy.

Octiva, a former subsidiary of VEP, HHMH's new hospitalist company which later merged with USACs, has asked for an increase in the intensivist contract rate from \$7,000 per month to \$10,500 per month to offset the higher than anticipated volume of consults on ICU and other patients, and to assist them in adding a 2nd intensivist to the call rotation. After consultation with the medical director of the hospitalist service, Dr. Bath, HHMH's CMO, Dr. Michael Bogey, the executive team, and I have agreed to the proposed increase and have signed an addendum. This is an update according to the new Physician Contracting Policy.

In addition, in consultation with the same group, we are asking USACs to plan for a 2 provider hospitalist service model. A single hospitalist can provide coverage for up to 18+ patient encounters per day and volumes have exceeded that number over the past few months. A 2 provider service model will be more costly, but the extra costs will be offset by better patient throughput, earlier discharge times in the morning, and fewer surgery cancellations when bed occupancy is near the 25 inpatient bed limit. In addition, patient experience will be impacted positively in that patients will be seen by a hospitalist on a more timely basis and the physicians are begin asked to spend more time explaining their course of treatment to patients.

Legislative, Community, and Regional Activities

Legislative Collaboration Efforts:

Over the past couple of weeks, the DHLF scheduled "thank you" zoom meetings with State Senator Caballero and State Assembly Member Rivas for passing AB 171 which included a loan program for District hospitals participating in the new Quality Incentive Program (QIP). This program is a newly implemented one which replaced the previous Prime incentive program. There is a built-in 2 year lag in funding so this new loan program allows hospitals to receive 40% of the funding they can earn under QIP over the next couple of months. While it is currently structured as a loan, we expressed the need to refine it into a grant program.

In addition, we discussed with the legislators the continued urgent need for funding to District hospitals like HHMH to offset the financial results of the pandemic to date and the likely continued financial burden that will be experienced. It was keenly noted that as of now, there have been very few funding sources provided for District hospitals specific to the pandemic since the Federal funds that were provided and used in CY 2020.

CEO HHMH/Community Activities:

Hospital Rounding – Daily



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HHH Foundation Board meeting – Oct 14th
Auxiliary Board meeting – Oct 11th

CEO Regional/National Activities:

CHOMP Campus Visit – Sep 29th
ACHD CEO Roundtable – Oct 7th
Assembly Member Robert Rivas Zoom meeting – Oct 20th

Sincerely,

Steven Hannah

Steven M. Hannah, MHA
Chief Executive Officer

Acronyms

ACHD	Association of California Hospital Districts
ACO	Accountable Care Organization
APP	Advanced Practice Practitioners (FNP and PA)
AFE	*Acronym Free Environment
ASC	Ambulatory Surgery Center
BBK	Best, Best and Krieger Law Firm
CAH	Critical Access Hospital
CCAHN	California Critical Access Hospital Network (CHA)
CDC	Center for Disease Control
CDPH	California Department of Public Health
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CHA	California Hospital Association
CHNA	Community Health Needs Assessment (Not applicable to Districts)
CIN	Clinically Integrated Network
CMI	Case Mix Index (CMS acuity measure)
CMMI	Centers for Medicare and Medicaid Innovation CMO Chief Medical Officer
CMS	Centers for Medicare and Medicaid (HCFA from the old days)
CNE	Chief Nurse Executive
COO VP HR	Chief Operating Officer, Vice President of Human Resources
COS	Chief of Staff (Medical)
COVID – 19	Coronavirus SARS-CoV-2
CY	Calendar Year
DHLF	District Hospital Leadership Forum
DPM	Doctor of Podiatry Medicine
ED	Emergency Department
FMV	Fair Market Value
FNP	Family Nurse Practitioner
FQHC	Federally Qualified Health Center
FY	Fiscal Year



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HCA	Hospital Corporation of America
HCP	Healthcare personnel
HHMH	Hazel Hawkins Memorial Hospital
HIPPA	Health Information Privacy and Portability Act
HIT	Health Information Technology
HOPD	Hospital Outpatient Department
HPF	Hospital Provider Fee Program
HR	Human Resources
ICU	Intensive Care Unit
IPA	Independent Physician Association
LLP	Limited Liability Partnership
LOI	Letter of Intent
MACRA	CMS-Medicare Access & CHIP Reauthorization Act of 2015 MAP
MAP	Management Action Plan
MD	Medical Doctor
MGMA	Medical Group Management Association
MS & Med Surg	Medical Surgical Unit
MIPs	CMS-Merit Based Incentive Payment System
MOB	Medical Office Building
MOR	Management Operating Review
MOU	Memorandum of Understanding
OR	Operating Room
OSHPD	Office of Statewide Health Planning and Development
P&L	Profit and Loss
PA	Physician Assistant
PC	Professional Corporation
PCP	Primary Care Provider
PHO	Physician Hospital Organization
PPS	Prospective Payment System
PR	Public Relations
PSA	Professional Services Agreement
QIP	Quality Incentive Program
RA	Recruitment Agreement
RFI	Request for Information
RFP	Request for Proposal
RHC	Rural Health Clinic
SNF	Skilled Nursing Facility
SPC	Structural Performance Category
TBD	To Be Determined
TJC	The Joint Commission (formerly JACHO)
TPA	Third Party Administrator
USACS	US Acute Care Solutions
VEP	Pinehurst Hospitalist Medical Group d/b/a VEP Healthcare
VP	Vice President



To: San Benito Health Care District Board of Directors
From: Jordan Wright-Interim COO/VP HR
Date: October 2021
Re: Compliance, EVS, Dietary Services, HR, PT, & Radiology

October Updates:

- Compliance Plan:
 - Full-time compliance analyst position posted

- EVS:
 - Interim contract with Image First to augment linen supply until Mission Linen assumes contract from Crawthall (intended July start date delayed due to supply issues)

- Dietary services:
 - Review of patient menu process to provide education and choices to patients
 - Review of options to acquire food and serving supplies during supply chain interruptions

- HR:
 - Commencement of bargaining period with CNA
 - Associate Vice President of Human Resources position posted
 - Ongoing review of testing related to Vaccine and Testing policies
 - Transition to BRMS as new Third Party Administrator (TPA) for benefits with January 1, 2022 start date

- PT:
 - Shared coding position between outpatient and SNF posted for hire

- Radiology:
 - Ongoing schedule review to increase patient access to services



Hazel Hawkins
MEMORIAL HOSPITAL

To: San Benito Health Care District Board of Directors
 From: Amy Breen-Lema, Director, Provider Services & Clinic Operations
 Date: October 10, 2021
 Re: All Clinics – September 2021

2021 Rural Health and Specialty Clinics' visit volumes

Total clinic visits for Sept 2021 in all outpatient clinics = 6,883.

	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021
Sunset/Annex	810	951	932			
San Juan Bautista	209	314	329			
1st Street	974	873	752			
4th Street	1392	1499	1446			
Barragan	715	907	796			
Totals	4100	4544	4255			
Specialty Clinics						
Orthopedic Specialty	530	556	485			
Multi-Specialty	640	747	614			
Primary Care Associates	1334	1582	1529			
Totals	2504	2885	2628			

- COVID vaccination efforts continue in the Annex, 1st, 2nd and booster shots are administered per CDC guidance. Vaccine boosters for the Pfizer vaccine are offered for all people 65 years of age or older, people 18-64 at increased risk for Covid exposure and transmission because of their job or in a long-term setting, with underlying medical conditions per CDC guidelines and at least six months after the primary series has been completed. For September, we gave 131 injections in total.



Hazel Hawkins
MEMORIAL HOSPITAL

WILLIAM & INEZ MABIE SKILLED NURSING FACILITY

OCTOBER 2021

BOARD REPORT

October 19, 2021

To:

**San Benito Health Care District
Board of Directors**

From:

Sherry Hua, RN, MSN, DON for William & Inez Mabie SNF

I. Management Activities:

1. CDPH Survey on COVID-19 Mitigation Plan Infection Control on 9/17/21, with No deficiency.

II. In-services for the month of October:

1. 10/7 Dementia: Oral Health; COVID 19 Mitigation Plan, Infection Control, Survey Prep
Mandatory All Staff
2. 10/21 HIPPA: Covid-19 Mitigation Plan, Infection Control & Survey Prep
Mandatory All Staff

III. Census Statistics for September:

Statistics:	2021	2020
Total Number of Admissions:	4	7
Number of Transfers from HHH:	4	4
Number of Transfers to HHH:	1	2
Number of Deaths:	0	3
Number of Discharges:	4	5
Total Discharges:	4	8
Total Census Days:	1307	1069

Note: Transfers are included in the number of admissions and discharges.
Deaths are included in the number of discharges. Total census excludes bed hold days.

Total Discharged by Payer Status Category:	
Medicare:	4
Medicare MC:	0
Medical:	0
Medical MC:	0
Private (self pay):	0
Insurance:	0
Total:	4

Total Patient Days by Payer Status Category:	
Medicare:	77
Medicare MC:	0
Medi-Cal:	1140
Medi-Cal MC:	0
Private:	90
Insurance:	0
Bed Hold/LOA	0
TOTAL:	1307
Average Daily Census	43.57

IV. Palliative Care Referral Statistics for September:

Referral Sources:	
New Referrals	9
Acute Hospital	7
Mabie Southside	1
Mabie Northside	1

Patients Served	38
Patients Discharged	7
Patients Deceased	4
Grief Support	11
Total Patient Visits	152



Hazel Hawkins
MEMORIAL HOSPITAL

Oct 14, 2021

To:
San Benito Health Care District
Board of Directors

From:
Sherry Hua, RN, MSN, DON for Mabie Northside SNF

1. Management Activities

1. CDPH Survey on COVID 19 Mitigation Plan Infection Control on Sept 17, 2021 with NO deficiency.

2. In-services for the month of Sept 2021

1. Residents Fall and Safety; Covid 19 Infection Control & Prevention; Mitigation Plan; Visitation Policy.
2. Dementia; Communication Strategies; Covid 19 Infection Control & Prevention; Mitigation Plan; Visitation Policy



MEMORIAL HOSPITAL
CONVALESCENT HOSPITAL
HOME HEALTH AGENCY

San Benito Health Care District

**Mabie Northside Skilled Nursing Facility
Monthly Reports**

Admissions and Discharges

Sept 2021

Total Number of Admissions	5
Number of Transfers from HHH	5
Number of Transfers to HHH	0
Number of Deaths	1
Number of Discharges	7
Total Census Days (excludes Bed Holds)	1,124
Total Discharges	8

Note: Transfers are included in the number of admissions and discharges.
Deaths are included in the number of Total Discharges.

**TOTAL PATIENT DAYS BY PAY
STATUS CATEGORY:**

**TOTAL DISCHARGES BY
PAY STATUS CATEGORY:**

MEDICARE	4
MEDICARE MC	0
MEDI-CAL	2
MEDI-CAL MC	0
PRIVATE (SELF PAY)	0
INSURANCE	0
TOTAL	6

MEDICARE	75
MEDICARE MC	0
MEDI-CAL	1,019
MEDI-CAL MC	0
PRIVATE (SELF PAY)	30
INSURANCE	0
BEDHOLD /LOA	0
WORKERS COMP	0
TOTAL	1,124

# days	Tot. Census	Average
30	1124	37.47

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Board Report

San Benito Home Health Care - September 2021

To: San Benito Health Care District Board of Directors

From: Anita Frederick RN
Director - San Benito Home Health Care

HOME HEALTH STATS						
			Jun-21	Jul-21	Aug-21	Sep-21
Total Admissions			17	54	17	34
Total Home Visits			382	416	450	415
Census /Total Patients			56	82	66	68

REFERRAL SOURCES						
Hazel Hawkins			23%	41%	24%	32%
Other Hospitals			18%	17%	12%	30%
Southside SNF			6%	7%	12%	3%
Northside SNF			12%	7%	12%	6%
Other SNF			12%	4%	5%	3%
MD / Clinics			29%	24%	35%	26%

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**START OF CARE/VISIT STATISTICS
SAN BENITO HOME HEALTH
SEPTEMBER 1ST THRU SEPTEMBER 30TH 2021**

TOTAL NUMBER OF ADMISSIONS _____ 34
***TOTAL NUMBER OF VISITS _____ 415**

PAYOR REFERRAL SOURCES

MEDICARE _____ 58 %
PVT _____ 21 %
MEDICARE MANAGED _____ 21 %
MEDICAL _____ 0 %
WORKER COMP _____ 0 %

REFERRAL SOURCES

HAZEL HAWKINS HOSPITAL _____ 32 %
OTHER HOSPITALS _____ 30 %
SOUTHSIDE SNF _____ 3 %
NORTHSIDE SNF _____ 6 %
MD REFERRALS _____ 26 %
OTHER SNF _____ 3 %
INSURANCE _____ 0 %

***PAYOR SOURCE OF VISITS MADE**

MEDICARE _____ 85 %
MEDI-CAL _____ 1 %
PRIVATE _____ 14 %
MANAGED MEDICARE _____ 0 %
WORKER COMP _____ 0 %



Hazel Hawkins
MEMORIAL HOSPITAL

To: San Benito Health Care District Board of Directors
From: Bernadette Enderez, Director of Laboratory Services
Date: October 24, 2021
Re: Laboratory

=====

Updates:

1. Service/Outreach

- Covid testing for unvaccinated county employees twice a week. Estimated volume of 70 tests per day
- Initial discussion of having Lead Lab Assistants per draw station to assist with customer service surveys as well as making sure the supply needs of provider practices in their respective areas are met.
- Initial discussion of having a mobile phlebotomy program
- Planned Improvements for Mc Cray Draw station scheduled for 12/2021:
 - Painting of the whole suite to align with hospital colors
 - Addition of 3rd draw area for better turn around time for patients
 - Addition of shelves for storage of reagents and supplies

2. Covid Testing

- Period: September
- Total Samples tested: 3805
- Positivity Rate: 3.47%

3. New Tests/Analyzers

- Vaginitis testing was approved by Perinatal Committee. Test projected to be available in November 2021.

4. Quality Assurance/Performance Improvement Activities

- Plan of Action for The Joint Commission laboratory accreditation was approved.
- New template for Blood Product Administration Audit was approved for use.

5. Laboratory Statistics

- See attached report



San Benito Health Care Agency
A Public Agency
911 Sunset Drive
Hollister, CA 95023-5695
(831) 637-5711

TO: San Benito Health Care District Board of Directors
FROM: Frankie Gallagher, Director of Marketing
DATE: October 19, 2021
RE: **MARKETING REPORT FOR OCTOBER 2021**

- Our Orthopedic Specialty Center is being featured in commercials for “*High School Playbook Blitz*” with KSBW through December.
- Coordinated and created two booths at the San Benito County Fair. One for the hospital and one for the ER nurses to promote Stroke Awareness and Stop the Bleed campaign. Created new displays and coordinated schedule of volunteers. Also created new banners and stand up banners for booth.
- Provided 1,000 first aid kits for the Treat Street Halloween community event taking place on October 31 in downtown Hollister.
- Updated Diabetes Center commercial running on KSBW for October and November along with ads in the FreeLance, Mission Village Voice and online on the Free Lance and BenitoLink websites.
- Working with Public Health, SBC Community Foundation on promotion of vaccine awareness.
- Conducted a presentation at Twin Oaks Senior Community on hospital service offerings.
- Promoting discounted mammography services in conjunction with October being Breast Cancer Awareness month.
- Working with the surgery department to create new patient folders.
- Working with Valley VIP’s on our social media campaigns with Facebook, Instagram and YouTube. Below is the calendar of posts.
 - Flu Clinics
 - Quilts of Honor
 - Medical Ultrasound Month
 - American Pharmacists Month
 - Physical Therapy Month
 - Talk About Your Medicines Month
 - October 16 – 22 International Infection Prevention Week
 - October 18 – 22 Medical Assistants Recognition Week
 - October 24 – 30 – National Health Care Facilities and Engineering Week
 - October 24 – 30 – National Respiratory Care Week
 - Halloween Safety
 - Red Ribbon Week

94.



Hazel Hawkins Hospital Auxiliary

9/12/21

To Hospital Board:

Our current membership status is:

- 82 Active Volunteers
- 126 Associate Members

The October 12 Auxiliary Board meeting was held at my home this month since the Support Services Building wasn't accessible to them. Those that couldn't attend in person attended via Zoom.

Madelyn's Gift Shop hours will continue to be in flux for a time due to the shop being understaffed. They are hoping to be back to their full schedule soon.

Hazel's Thrift Shop has formed an online sales committee. Auxiliary Associates Peggy Rolly & Annie Johnson will be working with Hazel's manager Karen Breen on this venture. Joan Moore will oversee the financial aspect and I will be available to help wherever needed.

Save The Dates:

- November 8 ~ Auxiliary BOD Meeting
- November 18, 19 & 20 ~ Masquerade Jewelry Sale

As always, please feel free to contact me anytime. I am in my office on Mondays, Tuesdays & Thursdays, 9-4. You can also reach me at: aoliveira@hazelhawkins.com.

Best Regards,

Alice Oliveira

Alice Silva Oliveira
Coordinator of Volunteer Services
(831)636-2681
aoliveira@hazelhawkins.com

To love what you do and feel that it matters – how could anything be more fun? – Katharine Graham

95



TO: San Benito Health Care District Board of Directors
 FROM: Liz Sparling, Foundation Director
 DATE: October 2021
 RE: Foundation Report

The Hazel Hawkins Hospital Foundation Board of Trustees met on Thursday, October 14th for their monthly meeting via zoom. The Board of Directors voted to move the November meeting to November 18th due to the regularly scheduled meeting falling on Veteran’s Day. The Board welcomed Gary Byrne, President/CEO of the Community Foundation for SBC who presented the new Epicenter Building downtown that will be a non-profit hub.

Financial Report	September
1. Income	\$ 75,936.10
2. Expenses	\$ 66,569.69
3. New Donors	0
4. Total Donations	141

Approved Allocations

1. No Allocations.

Directors Report

- Jeri has done an amazing job on the Chapel in the Hospital. It is really beautiful.
- All of the Foundations Audit documents have been submitted.
- Received a donation of 20 Shares of Microsoft Stock from a donor. Said his wife received excellent care here. We asked Kyle Sharp from Edward Jones to handle the transfer. I am working on getting the entire story to share with HHH Staff.
- Working on grant reporting for the Monterey Peninsula Grant which is due in November.

Dinner Dance Report - We are almost sold out!

Our Fundraiser this year will be November 6, 2021. The honorees at this year’s fundraiser are: Donors of the Year - Jon and Jeanette Whorley, Business Donors of the Year - VEP Healthcare (which is now US Acute Care Solutions) and our Heart for Hazel Award will go to Sylvia Marquez. We have over \$77,000 in sponsorships for the event. We are adding a new part to the event. Come 30 minutes prior to your designated pick up time and enjoy a microbrew tasting from the Alehouse or a Calera Wine Tasting. This will be an additional \$10 donation to the Foundation. All the wine has been donated from Duckhorn, Calera’s parent Company. They donated over 12 cases. The beer is donated by the Grillin & Chillin Alehouse. Call the Foundation office for tickets: 636-2653.

Nominating Committee

Our Nominating Committee got met and are selecting new Board Members for the upcoming year.

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FINANCE COMMITTEE
Thursday, October 21, 2021, 5:00 p.m
Online Zoom Meeting
Agenda

Call to Order

I. Financial Reports:

- A. Financial Statements – September 2021

II. Financial Updates

- A. Finance Dashboard
- B. Bad Debt (Uncompensated Care) – October 2021 write-off
- C. CHFFA Loan discussion
- D. San Benito Health Care District Election Boundaries and Demographics
- E. Provider Recruitment Pro forma
- F. Governmental Accounting Standards Board (GASB) Statement 68–FY 21
- G. Hospitalist Intensivist Coverage
- H. Benedict Carota, M.D. – Rural Health Clinic Coverage

III. Capital

- A. Meditech Software – Patient Portal (**Action item**)

IV. Presentation of Audited Financial Statements for FYE 06/30/2021

Adjournment

97.

San Benito Health Care District
Finance Committee Minutes
October 21, 2021

Zoom Meeting - 5:00pm

Present: Rick Shelton, Board Treasurer
Josie Sanchez, Board Assistant Secretary
Steven Hannah, Chief Executive Officer
Mark Robinson, Vice President-Finance\Support Services
Jordan Wright, Chief Operations Officer
Barbara Vogelsang, Chief Clinical Officer
Karen Gambetta, Controller

Public: None

CALL TO ORDER

The meeting of the Finance Committee was called to order at 5:00pm as a virtual meeting due to the COVID-19 outbreak. Instructions to log in were posted with the agenda on the Public Notice bulletin board.

I. FINANCIAL STATEMENTS

A. September 2021

The Financial Statements for September 2021 were presented for review. For the month ending September 30, 2021, the District's Net Surplus (Loss) is \$364,134 compared to a budgeted Surplus (Loss) of \$85,134. The District exceeded its budget for the month by \$279,000.

For the YTD ending September 30, 2021, the District's Net Surplus (Loss) is \$891,197 compared to a budgeted Surplus (Loss) of \$217,497. The District exceeded its budget YTD by \$673,700.

Acute discharges were over budget for the month by 42 discharges or 33%. The Average Daily Census was 21.67 compared to a budget of 13.10. The average length of stay was 3.80. The Acute I/P gross revenue was over budget by \$3.3 million while O/P services gross revenue exceeded budget by \$714,000 or 4%. Inpatient ER visits were over budget by 41 visits while ER O/P visits were over budget by 264 visits or 16%. The Rural Health Clinics treated 4,201 patients (includes 793 visits at the Diabetes Clinic) while the other clinics treated 2,628 outpatients. Other Operating revenue was over budget by \$23,179 due to a GPO share-back and Palliative Care grant of \$12,758 and \$8,379, respectively. Operating expenses were over budget by \$478,678 due to variances in: Salaries & Wages being over by \$140,109, Registry by \$163,690 and Supplies by \$72,020 due to the increase in COVID-19 patients. Non-operating Revenue was under budget by \$12,325 due to no recorded donations and an unrealized loss in investment income.

The Skilled Nursing Facilities had an average daily census of 81.03 with a budgeted ADC of 80. The SNFs Net Surplus (Loss) is \$529 compared to a budgeted surplus of \$27,508.

Fiscal year ending June 30, 2022 is budgeted to meet or exceed all of the Cal- Mortgage 2021 bond covenant targets. They are a **1.25 DSR**, **30 days cash-on-hand** and a **1.5 current ratio**.

II. FINANCIAL UPDATES

- A. **Finance Dashboard** – The Finance Dashboard and Cash Flow statement were reviewed by the Committee in detail.
- B. **Bad Debt (Uncompensated Care) – October 2021 Write-Off** – The write-off request for October 2021 is for 366 accounts totaling \$390,626.05. The CCS Bad Debt Recovery rate is 15.6%. The Charity Care write-offs are now broken out into two categories: Charity \$55,925.89 and Sliding Fee Scale–Clinics \$31,689 for a total Charity amount for the month of \$87,614.89.
- C. **CHFFA Loan discussion** – The loan has closed with the first reimbursement payment received by the Hospital District in October 2021.
- D. **San Benito Health Care District Election Boundaries and Demographics** – Doug Johnson is the demographer that is contracted with San Benito County to perform their district review which is due December 15, 2021. After he completes San Benito County's report, he will begin working on ours which is due April 15, 2022. The plan is to mirror San Benito County's map which was the process the District used for the first District boundaries.
- E. **Provider Recruitment Pro forma** – With the recruitment of Drs. Gerry and Gabriel, a Pro forma template was created to illustrate the effect of the new provider service agreements compared to the previous providers. For both new providers, based on estimated volumes, the total net earnings exceed the prior year.
- F. **Governmental Accounting Standards Board (GASB) Statement 68 – FY 2021** – The summary of key valuation results for the FY 2021 GASB 68 statement was presented by Mark Robinson. The funded portion of the pension plan at 06/30/2021 as a percentage to the total pension liability is 74% compared to 70% in the prior year. The net pension liability decreased from prior year from \$12,855,495 to \$12,243,918. This change can be attributed to an increase in investment earnings netted against the change in the projected investment rate of return from 6.75% in FY 2020 to 6.50% in FY 2021.
- G. **Hospitalist Intensivist Coverage** – The Intensivist coverage provided by Omnibus Medical Corporation has been well received and utilized by the Hospitalist's on duty and nursing personnel. The existing agreement will remain the same with an increase in fees from \$7,000/month to \$10,500/month. We are still realizing a savings from the previous Intensivist agreement which was for \$12,500/month.
- H. **Benedict Carota, M.D.-Rural Health Clinic Coverage** – The Rural Health Clinic agreement with Dr. Carota will remain at the same hourly rate but the maximum hours which are currently 4 hours per week will be 16 hours per week.

III. CAPITAL

- A. **Meditech Software – Patient Portal** – The Finance Committee recommends the purchase of this agenda item to the Board. This software program has additional features that our current system does not provide. A patient can still log on the portal for test results but in addition, they can register to be seen in the clinic on-line. The Meditech Patient Portal was reviewed by the Directors of Patient Accounting, Registration and the Outpatient clinics with a unanimous vote stating that Meditech Patient Portal is a much better system. Although the Meditech software requires the purchase of the software license, implementation costs and service agreement, the cost savings per year for the first five years is \$2,364. After that, the savings total over \$27,000/year.

- IV. **PRESENTATION OF AUDITED FINANCIAL STATEMENTS FOR FYE 06/30/2021** - The Finance Committee reviewed the Audited Financial Statements for FYE 06/30/2021 performed by Rick Jackson, CPA with JWT & Associates. Pages 5 and 6 contain the auditor's opinion indicating that the District is in compliance with this annual review. The fiscal year ending June 30, 2021 closed with excess revenues over expense of \$294,627 compared to prior year at (\$5,462,376). All three of the bond covenants were met in FY 2021: Debt Service Coverage Ratio was 2.11 with the required ratio of at least 1.25. Prior year's debt service coverage ratio was -0.63 which required the District to receive a waiver from the Office of Statewide Planning and Development. The Current Ratio was 1.75 with at least 1.5 required, and the Days Cash on Hand were 49.12 with at least 30 days required.

ADJOURNMENT

There being no further business, the Committee was adjourned at 5:43pm.

Respectfully submitted,



Karen Gambetta
Controller



October 21, 2021

CFO Financial Summary for the Finance Committee:

For the month ending September 30, 2021, the District's Net Surplus (**Loss**) is \$364,134 compared to a budgeted Surplus (**Loss**) of \$85,134. The District exceeded its budget for the month by \$279,000.

For the YTD ending September 30, 2021, the District's Net Surplus (**Loss**) is \$891,197 compared to a budgeted Surplus (**Loss**) of \$217,497. The District exceeded its budget YTD by \$673,700.

Acute discharges were 171 for the month, exceeding budget by 42 discharges or 33%. The ADC was 21.67 compared to a budget of 13.10. The ALOS was 3.80. The acute I/P gross revenue was over budget by **\$3.3 million** while O/P services gross revenue was **\$714,000** or 4% over budget. ER I/P visits were 138 and ER O/P visits were over budget by 264 visits or 16%. The RHCs & Specialty Clinics treated 4,201 (includes 793 visits at the Diabetes Clinic) and 2,628 visits respectively.

Other Operating revenue was over budget by **\$23,179** due to a GPO share-back and palliative Care grant of \$12,758 and \$8,379 respectively.

Operating Expenses were over budget by **\$478,678** due mainly to variances in: Salary and Wages being over by \$140,109, Registry by \$163,390 and Supplies by \$72,020 due to the increase in COVID-19 patients.

Non-operating Revenue was under budget by **\$12,325** due to no recorded donations and an unrealized loss in investment income.

The SNFs ADC was **81.03** for the month. The Net Surplus (**Loss**) is **\$529** compared to a budget of \$27,508. The ADC is budgeted to be 80 residents for the month. YTD, the SNFs Net Surplus is \$133,519.

The debt service ratio for the fiscal year ending June 30, 2021 is budgeted to exceed **1.25**, the days-cash-on-hand is projected to exceed **30.00** and the current ratio is projected to be less than **1.5**. The Cal- Mortgage 2021 bond covenant targets are a **1.25** DSR, **30** days-cash-on-hand and a **1.5** current ratio.

100.

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 09/30/21

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 09/30/21	BUDGET 09/30/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/20	ACTUAL 09/30/21	BUDGET 09/30/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/20
GROSS PATIENT REVENUE:										
ACUTE ROUTINE REVENUE	3,894,686	2,679,113	1,215,573	45	2,170,895	11,206,477	8,310,022	2,896,455	35	8,100,342
SNF ROUTINE REVENUE	1,593,430	1,564,451	28,979	2	1,304,270	4,977,900	4,797,552	180,348	4	4,122,670
ANCILLARY INPATIENT REVENUE	5,706,657	3,821,368	1,885,289	49	3,072,342	15,649,415	11,842,217	3,807,198	32	11,364,073
HOSPITALIST\PEDS I\P REVENUE	218,623	151,326	67,297	45	172,613	595,562	472,679	122,883	26	371,208
TOTAL GROSS INPATIENT REVENUE	11,413,396	8,216,258	3,197,138	39	6,720,120	32,429,354	25,422,470	7,006,884	28	23,958,293
ANCILLARY OUTPATIENT REVENUE	19,954,587	19,278,332	676,255	4	17,970,537	62,684,429	58,389,545	4,294,884	7	55,542,480
HOSPITALIST\PEDS O\P REVENUE	50,435	13,024	37,411	287	23,914	159,267	40,392	118,875	294	52,623
TOTAL GROSS OUTPATIENT REVENUE	20,005,023	19,291,356	713,667	4	17,994,451	62,843,697	58,429,937	4,413,760	8	55,595,103
TOTAL GROSS PATIENT REVENUE	31,418,418	27,507,614	3,910,804	14	24,714,571	95,273,051	83,852,407	11,420,644	14	79,553,396
DEDUCTIONS FROM REVENUE:										
MEDICARE CONTRACTUAL ALLOWANCES	7,481,367	7,249,237	232,130	3	6,182,691	22,931,316	21,784,401	1,146,915	5	19,045,746
MEDI-CAL CONTRACTUAL ALLOWANCES	8,167,399	5,682,349	2,485,050	44	4,749,563	25,006,501	17,297,558	7,708,943	45	17,197,394
BAD DEBT EXPENSE	409,735	251,859	157,876	63	200,317	961,519	767,289	194,230	25	850,534
CHARITY CARE	87,614	66,475	21,139	32	141,803	243,569	202,518	41,051	20	276,486
OTHER CONTRACTUALS AND ADJUSTMENTS	3,855,802	3,710,970	144,832	4	3,917,052	11,715,895	11,308,623	407,272	4	12,392,902
HOSPITALIST\PEDS CONTRACTUAL ALLOW	62,359	4,931	57,428	1,165	36,477	54,528	15,391	39,137	254	31,109
TOTAL DEDUCTIONS FROM REVENUE	20,064,276	16,965,821	3,098,455	18	15,227,903	60,913,328	51,375,780	9,537,548	19	49,794,171
NET PATIENT REVENUE	11,354,143	10,541,793	812,350	8	9,486,668	34,359,722	32,476,627	1,883,095	6	29,759,225
OTHER OPERATING REVENUE	622,800	599,621	23,179	4	910,056	1,653,033	1,641,221	11,812	1	2,231,941
NET OPERATING REVENUE	11,976,943	11,141,414	835,529	8	10,396,724	36,012,756	34,117,848	1,894,908	6	31,991,166
OPERATING EXPENSES:										
SALARIES & WAGES	4,701,141	4,510,957	190,184	4	4,094,851	14,123,866	13,873,261	250,605	2	12,461,579
REGISTRY	340,352	170,045	170,307	100	285,837	964,731	518,134	446,597	86	825,410
EMPLOYEE BENEFITS	2,417,966	2,498,383	(80,417)	(3)	2,266,238	7,694,235	7,682,100	12,135	0	6,791,661
PROFESSIONAL FEES	1,447,297	1,397,254	50,043	4	1,326,804	4,326,868	4,273,375	53,493	1	4,011,582
SUPPLIES	1,072,994	982,161	90,833	9	950,707	3,282,490	3,013,918	268,572	9	2,894,128
PURCHASED SERVICES	1,058,032	958,390	99,642	10	1,018,737	3,002,696	2,901,144	101,552	4	2,830,337
RENTAL	154,804	139,639	15,165	11	151,850	429,355	418,900	10,455	3	464,474
DEPRECIATION & AMORT	330,429	323,395	7,034	2	333,238	993,082	970,184	22,898	2	1,021,572
INTEREST	1,721	5,811	(4,090)	(70)	3,341	3,276	17,466	(14,190)	(81)	6,655
OTHER	321,311	315,809	5,502	2	321,823	1,004,876	949,196	55,680	6	923,080
TOTAL EXPENSES	11,846,048	11,301,844	544,204	5	10,753,425	35,825,475	34,617,678	1,207,797	4	32,230,480
NET OPERATING INCOME (LOSS)	130,895	(160,430)	291,325	(182)	(356,702)	187,280	(499,830)	687,110	(138)	(239,313)

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HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 09/30/21

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 09/30/21	BUDGET 09/30/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/20	ACTUAL 09/30/21	BUDGET 09/30/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/20
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	10,000	(10,000)	(100)	2,089	6,570	20,000	(13,430)	(67)	6,133
PROPERTY TAX REVENUE	185,249	185,249	0	0	171,868	555,747	555,746	1	0	515,605
GO BOND PROP TAXES	160,091	160,091	(1)	0	155,365	480,272	480,272	(1)	0	466,095
GO BOND INT REVENUE\EXPENSE	(75,091)	(75,091)	1	0	(77,865)	(225,272)	(225,272)	1	0	(233,595)
OTHER NON-OPER REVENUE	7,876	7,866	10	0	18	23,626	23,599	27	0	50
OTHER NON-OPER EXPENSE	(42,627)	(42,626)	(1)	0	(63,785)	(137,193)	(137,243)	50	0	(191,375)
INVESTMENT INCOME	(2,259)	75	(2,334)	(3,112)	(3,985)	168	225	(57)	(25)	(3,780)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	233,239	245,564	(12,325)	(5)	183,705	703,917	717,327	(13,410)	(2)	559,133
NET SURPLUS (LOSS)	364,134	85,134	279,000	328	(172,997)	891,197	217,497	673,700	310	319,819
EBIDA	\$ 652,190	\$ 366,155	\$ 286,035	78.11%	\$ 146,527	\$ 1,766,473	\$ 1,069,924	\$ 696,549	65.10%	\$ 1,300,267
EBIDA MARGIN	5.45%	3.29%	2.16%	65.69%	1.41%	4.91%	3.14%	1.77%	56.41%	4.06%
OPERATING MARGIN	1.09%	(1.44)%	2.53%	(175.89)%	(3.43)%	0.52%	(1.47)%	1.99%	(135.49)%	(0.75)%
NET SURPLUS (LOSS) MARGIN	3.04%	0.76%	2.28%	297.87%	(1.66)%	2.47%	0.64%	1.84%	288.17%	1.00%

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HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 09/30/21

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 09/30/21	BUDGET 09/30/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/20	ACTUAL 09/30/21	BUDGET 09/30/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/20
GROSS PATIENT REVENUE:										
ROUTINE REVENUE	3,894,686	2,679,113	1,215,573	45	2,170,895	11,206,477	8,310,022	2,896,455	35	8,100,342
ANCILLARY INPATIENT REVENUE	5,541,416	3,512,948	2,028,468	58	2,906,584	14,859,751	10,896,397	3,963,354	36	10,933,191
HOSPITALIST I\P REVENUE	218,623	151,326	67,297	45	172,613	595,562	472,679	122,883	26	371,208
TOTAL GROSS INPATIENT REVENUE	9,654,724	6,343,387	3,311,337	52	5,250,091	26,661,790	19,679,098	6,982,692	36	19,404,740
ANCILLARY OUTPATIENT REVENUE	19,954,587	19,278,332	676,255	4	17,970,537	62,684,429	58,389,545	4,294,884	7	55,542,480
HOSPITALIST O\P REVENUE	50,435	13,024	37,411	287	23,914	159,267	40,392	118,875	294	52,623
TOTAL GROSS OUTPATIENT REVENUE	20,005,023	19,291,356	713,667	4	17,994,451	62,843,697	58,429,937	4,413,760	8	55,595,103
TOTAL GROSS ACUTE PATIENT REVENUE	29,659,747	25,634,743	4,025,004	16	23,244,542	89,505,487	78,109,035	11,396,452	15	74,999,843
DEDUCTIONS FROM REVENUE ACUTE:										
MEDICARE CONTRACTUAL ALLOWANCES	7,358,157	7,038,483	319,674	5	6,099,696	22,414,957	21,134,433	1,280,524	6	18,907,126
MEDI-CAL CONTRACTUAL ALLOWANCES	8,152,927	5,632,649	2,520,278	45	4,676,310	24,961,551	17,145,227	7,816,324	46	17,309,363
BAD DEBT EXPENSE	422,645	251,859	170,786	68	191,514	964,802	767,289	197,513	26	821,769
CHARITY CARE	87,614	66,475	21,139	32	141,803	242,973	202,518	40,455	20	276,486
OTHER CONTRACTUALS AND ADJUSTMENTS	3,848,985	3,679,692	169,293	5	3,901,468	11,668,296	11,212,707	455,589	4	12,320,630
HOSPITALIST\PEDS CONTRACTUAL ALLOW	62,359	4,931	57,428	1,165	36,477	54,528	15,391	39,137	254	31,109
TOTAL ACUTE DEDUCTIONS FROM REVENUE	19,932,687	16,674,089	3,258,598	20	15,047,268	60,307,107	50,477,565	9,829,542	20	49,666,483
NET ACUTE PATIENT REVENUE	9,727,060	8,960,654	766,406	9	8,197,275	29,198,380	27,631,470	1,566,910	6	25,333,360
OTHER OPERATING REVENUE	622,800	599,621	23,179	4	910,056	1,653,033	1,641,221	11,812	1	2,231,941
NET ACUTE OPERATING REVENUE	10,349,860	9,560,275	789,585	8	9,107,330	30,851,414	29,272,691	1,578,723	5	27,565,301
OPERATING EXPENSES:										
SALARIES & WAGES	3,823,801	3,683,692	140,109	4	3,297,755	11,410,086	11,336,328	73,758	1	9,981,705
REGISTRY	328,610	165,220	163,390	99	285,837	919,173	503,338	415,835	83	825,410
EMPLOYER BENEFITS	1,908,756	1,982,605	(73,849)	(4)	1,826,085	6,102,844	6,100,386	2,458	0	5,371,404
PROFESSIONAL FEES	1,445,257	1,387,797	57,460	4	1,324,300	4,320,748	4,244,372	76,376	2	4,004,433
SUPPLIES	979,418	907,398	72,020	8	871,671	3,007,574	2,786,762	220,812	8	2,661,692
PURCHASED SERVICES	1,002,271	899,016	103,255	12	930,874	2,821,753	2,722,202	99,551	4	2,576,383
RENTAL	153,821	138,643	15,178	11	151,059	424,126	415,912	8,214	2	457,546
DEPRECIATION & AMORT	290,290	282,498	7,792	3	291,785	872,678	847,494	25,184	3	898,436
INTEREST	1,721	5,811	(4,090)	(70)	3,341	3,276	17,466	(14,190)	(81)	6,655
OTHER	268,821	271,408	(2,587)	(1)	280,371	867,286	815,440	51,846	6	803,425
TOTAL EXPENSES	10,202,766	9,724,088	478,678	5	9,263,077	30,749,544	29,789,700	959,844	3	27,587,089
NET OPERATING INCOME (LOSS)	147,094	(163,813)	310,907	(190)	(155,746)	101,870	(517,009)	618,879	(120)	(21,788)

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HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 09/30/21

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 09/30/21	BUDGET 09/30/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/20	ACTUAL 09/30/21	BUDGET 09/30/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/20
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	10,000	(10,000)	(100)	2,089	6,570	20,000	(13,430)	(67)	6,133
PROPERTY TAX REVENUE	159,183	159,183	0	0	147,685	477,549	477,548	1	0	443,055
GO BOND PROP TAXES	160,091	160,091	(1)	0	155,365	480,272	480,272	(1)	0	466,095
GO BOND INT REVENUE\EXPENSE	(75,091)	(75,091)	1	0	(77,865)	(225,272)	(225,272)	1	0	(233,595)
OTHER NON-OPER REVENUE	7,876	7,866	10	0	18	23,626	23,599	27	0	50
OTHER NON-OPER EXPENSE	(33,289)	(33,288)	(1)	0	(49,775)	(107,104)	(107,153)	49	0	(149,343)
INVESTMENT INCOME	(2,259)	75	(2,334)	(3,112)	(3,985)	168	225	(57)	(25)	(3,780)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	216,511	228,836	(12,325)	(5)	173,533	655,809	669,219	(13,411)	(2)	528,615
NET SURPLUS (LOSS)	363,605	65,023	298,582	459	17,787	757,678	152,210	605,468	398	506,827
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HAZEL HANKINS SKILLED NURSING FACILITIES
 HOLLISTER, CA
 FOR PERIOD 09/30/21

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 09/30/21	BUDGET 09/30/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/20	ACTUAL 09/30/21	BUDGET 09/30/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 09/30/20
GROSS SNF PATIENT REVENUE:										
ROUTINE SNF REVENUE	1,593,430	1,564,451	28,979	2	1,304,270	4,977,900	4,797,552	180,348	4	4,122,670
ANCILLARY SNF REVENUE	165,242	308,420	(143,179)	(46)	165,759	789,664	945,820	(156,156)	(17)	430,883
TOTAL GROSS SNF PATIENT REVENUE	<u>1,758,672</u>	<u>1,872,871</u>	<u>(114,200)</u>	<u>(6)</u>	<u>1,470,029</u>	<u>5,767,564</u>	<u>5,743,372</u>	<u>24,192</u>	<u>0</u>	<u>4,553,553</u>
DEDUCTIONS FROM REVENUE SNF:										
MEDICARE CONTRACTUAL ALLOWANCES	123,210	210,754	(87,544)	(42)	82,994	516,360	649,968	(133,608)	(21)	138,619
MEDI-CAL CONTRACTUAL ALLOWANCES	14,472	49,700	(35,228)	(71)	73,254	44,949	152,331	(107,382)	(71)	(111,969)
BAD DEBT EXPENSE	(12,910)	0	(12,910)		8,803	(3,283)	0	(3,283)		28,765
CHARITY CARE	0	0	0	0	0	596	0	596		0
OTHER CONTRACTUALS AND ADJUSTMENTS	6,817	31,278	(24,462)	(78)	15,584	47,599	95,916	(48,317)	(50)	72,272
TOTAL SNF DEDUCTIONS FROM REVENUE	<u>131,589</u>	<u>291,732</u>	<u>(160,144)</u>	<u>(55)</u>	<u>180,635</u>	<u>606,222</u>	<u>898,215</u>	<u>(291,993)</u>	<u>(33)</u>	<u>127,687</u>
NET SNF PATIENT REVENUE	<u>1,627,083</u>	<u>1,581,139</u>	<u>45,944</u>	<u>3</u>	<u>1,289,393</u>	<u>5,161,342</u>	<u>4,845,157</u>	<u>316,185</u>	<u>7</u>	<u>4,425,865</u>
OTHER OPERATING REVENUE	0	0	0	0	0	0	0	0	0	0
NET SNF OPERATING REVENUE	<u>1,627,083</u>	<u>1,581,139</u>	<u>45,944</u>	<u>3</u>	<u>1,289,393</u>	<u>5,161,342</u>	<u>4,845,157</u>	<u>316,185</u>	<u>7</u>	<u>4,425,865</u>
OPERATING EXPENSES:										
SALARIES & WAGES	877,341	827,265	50,076	6	797,097	2,713,780	2,536,933	176,847	7	2,479,874
REGISTRY	11,742	4,825	6,917	143	0	45,557	14,796	30,761	208	0
EMPLOYEE BENEFITS	509,210	515,778	(6,568)	(1)	440,153	1,591,391	1,581,714	9,677	1	1,420,258
PROFESSIONAL FEES	2,040	2,060	(20)	(1)	2,504	6,120	6,318	(198)	(3)	7,149
SUPPLIES	93,576	74,763	18,813	25	79,036	274,917	227,156	47,761	21	232,437
PURCHASED SERVICES	55,761	59,374	(3,613)	(6)	87,863	180,942	178,942	2,000	1	253,955
RENTAL	983	996	(13)	(1)	791	5,229	2,988	2,241	75	6,928
DEPRECIATION	40,139	40,897	(758)	(2)	41,453	120,405	122,690	(2,286)	(2)	123,136
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHER	52,491	44,401	8,090	18	41,452	137,590	133,756	3,834	3	119,655
TOTAL EXPENSES	<u>1,643,282</u>	<u>1,570,359</u>	<u>72,923</u>	<u>5</u>	<u>1,490,349</u>	<u>5,075,932</u>	<u>4,805,293</u>	<u>270,639</u>	<u>6</u>	<u>4,643,390</u>
NET OPERATING INCOME (LOSS)	<u>(16,199)</u>	<u>10,780</u>	<u>(26,979)</u>	<u>(250)</u>	<u>(200,956)</u>	<u>85,411</u>	<u>39,864</u>	<u>45,547</u>	<u>114</u>	<u>(217,525)</u>
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	26,066	26,066	0	0	24,183	78,198	78,198	0	0	72,550
OTHER NON-OPER EXPENSE	(9,338)	(9,338)	0	0	(14,011)	(30,090)	(30,090)	1	0	(42,032)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	<u>16,728</u>	<u>16,728</u>	<u>0</u>	<u>0</u>	<u>10,173</u>	<u>48,109</u>	<u>48,108</u>	<u>1</u>	<u>0</u>	<u>30,518</u>
NET SURPLUS (LOSS)	<u>529</u>	<u>27,508</u>	<u>(26,979)</u>	<u>(98)</u>	<u>(190,783)</u>	<u>133,519</u>	<u>87,972</u>	<u>45,547</u>	<u>52</u>	<u>(187,008)</u>

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HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 09/30/21

	CURR MONTH 09/30/21	PRIOR MONTH 08/31/21	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/21
CURRENT ASSETS					
CASH & CASH EQUIVALENT	15,875,954	18,671,866	(2,795,912)	(15)	18,776,056
PATIENT ACCOUNTS RECEIVABLE	41,499,706	38,963,546	2,536,160	7	41,109,182
BAD DEBT ALLOWANCE	(3,543,941)	(3,445,001)	(98,940)	3	(3,410,983)
CONTRACTUAL RESERVES	(25,363,570)	(23,752,956)	(1,610,614)	7	(24,852,045)
OTHER RECEIVABLES	2,280,930	1,893,123	387,807	21	2,536,893
INVENTORIES	2,922,184	2,830,386	91,798	3	2,844,436
PREPAID EXPENSES	1,010,766	867,315	143,452	17	504,949
DUE TO\FROM THIRD PARTIES	574,556	930,290	(355,735)	(38)	1,063,597
TOTAL CURRENT ASSETS	35,256,584	36,958,569	(1,701,985)	(5)	38,572,086
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	3,584,928	3,635,024	(50,096)	(1)	3,014,647
TOTAL LIMITED USE ASSETS	3,584,928	3,635,024	(50,096)	(1)	3,014,647
PROPERTY, PLANT, AND EQUIPMENT					
LAND & LAND IMPROVEMENTS	3,237,474	3,237,474	0	0	3,237,474
BLDGS & BLDG IMPROVEMENTS	97,212,467	97,184,444	28,023	0	97,184,444
EQUIPMENT	39,999,072	39,974,663	24,409	0	39,899,483
CONSTRUCTION IN PROGRESS	610,538	537,941	72,597	14	425,000
GROSS PROPERTY, PLANT, AND EQUIPMENT	141,059,551	140,934,522	125,029	0	140,746,401
ACCUMULATED DEPRECIATION	(83,395,488)	(83,050,094)	(345,394)	0	(82,357,510)
NET PROPERTY, PLANT, AND EQUIPMENT	57,664,063	57,884,428	(220,365)	0	58,388,891
OTHER ASSETS					
UNAMORTIZED LOAN COSTS	603,418	609,834	(6,416)	(1)	622,665
PENSION DEFERRED OUTFLOWS NET	1,480,373	1,480,373	0	0	1,480,373
TOTAL OTHER ASSETS	2,083,791	2,090,207	(6,416)	0	2,103,038
TOTAL UNRESTRICTED ASSETS	98,589,366	100,568,228	(1,978,863)	(2)	102,078,662
RESTRICTED ASSETS	102,367	102,344	23	0	102,297
TOTAL ASSETS	98,691,733	100,670,572	(1,978,840)	(2)	102,180,959

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HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 09/30/21

	CURR MONTH 09/30/21	PRIOR MONTH 08/31/21	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/21
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	6,426,051	6,739,104	313,053	(5)	7,650,785
ACCRUED PAYROLL	3,140,297	2,740,966	(399,331)	15	1,629,838
ACCRUED PAYROLL TAXES	2,505,608	2,501,454	(4,154)	0	2,425,261
ACCRUED BENEFITS	5,728,609	5,680,263	(48,346)	1	6,431,270
ACCRUED PENSION (CURRENT)	779,055	1,846,824	1,067,769	(58)	1,321,074
OTHER ACCRUED EXPENSES	63,815	83,547	19,732	(24)	69,880
PATIENT REFUNDS PAYABLE	12,079	0	(12,079)		0
DUE TO\FROM THIRD PARTIES	6,052,111	7,316,001	1,263,890	(17)	9,606,006
OTHER CURRENT LIABILITIES	317,870	431,813	113,943	(26)	186,314
TOTAL CURRENT LIABILITIES	25,025,495	27,339,971	2,314,476	(9)	29,320,428
LONG-TERM DEBT					
BONDS PAYABLE	40,278,282	40,306,802	28,520	0	40,363,842
TOTAL LONG TERM DEBT	40,278,282	40,306,802	28,520	0	40,363,842
OTHER LONG-TERM LIABILITIES					
DEFERRED REVENUE	0	0	0	0	0
LONG-TERM PENSION LIABILITY	12,243,918	12,243,918	0	0	12,243,918
TOTAL OTHER LONG-TERM LIABILITIES	12,243,918	12,243,918	0	0	12,243,918
TOTAL LIABILITIES	77,547,695	79,890,691	2,342,996	(3)	81,928,188
NET ASSETS:					
UNRESTRICTED FUND BALANCE	20,150,474	20,150,474	0	0	20,150,474
RESTRICTED FUND BALANCE	102,367	102,344	(23)	0	102,297
NET REVENUE/(EXPENSES)	891,197	527,063	(364,134)	69	0
TOTAL NET ASSETS	21,144,038	20,779,881	(364,157)	2	20,252,771
TOTAL LIABILITIES AND NET ASSETS	98,691,733	100,670,572	1,978,840	(2)	102,180,959

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San Benito Health Care District
 Hazel Hawkins Memorial Hospital
 SEPTEMBER 2021

Description	Target	MTD Actual	YTD Actual	YTD Target
Average Daily Census - Acute	13.10	21.67	19.58	13.25
Average Daily Census - SNF	80.00	81.03	82.83	80.00
Acute Length of Stay	3.05	3.80	3.27	3.02
ER Visits:				
Inpatient	97	138	428	295
Outpatient	1,685	1,949	5,792	5,120
Total	1,782	2,087	6,220	5,415
Days in Accounts Receivable	45.0	41.3	41.3	45.0
Productive Full-Time Equivalents	495.86	488.27	491.79	495.86
Net Patient Revenue	10,541,793	11,354,143	34,359,722	32,476,627
Medicare Traditional Payor Mix	28.26%	29.95%	29.76%	26.90%
Commercial Payor Mix	31.68%	24.36%	24.17%	32.58%
Bad Debt % of Gross Revenue	0.92%	1.32%	1.02%	0.92%
EBIDA	366,155	652,190	1,766,473	1,069,924
EBIDA %	3.29%	5.45%	4.91%	3.14%
Operating Margin	-1.44%	1.09%	0.52%	-1.47%
Salaries, Wages, Registry & Benefits %:				
by Net Operating Revenue	64.44%	62.28%	63.26%	64.70%
by Total Operating Expense	63.52%	62.97%	63.59%	63.76%
Bond Covenants:				
Debt Service Ratio	1.25	3.95	3.95	1.25
Current Ratio	1.50	1.41	1.41	1.50
Days Cash on hand	30.00	41.5	41.5	30.00
Met or Exceeded Target				
Within 10% of Target				
Not Within 10%				

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Statement of Cash Flows

Hazel Hawkins Memorial Hospital

Hollister, CA

Three months ending September 30, 2021

	CASH FLOW		COMMENTS
	Current Month 9/30/2021	Current Year-To-Date 9/30/2021	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$364,134	\$891,198	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	345,394	1,037,979	
(Increase)/Decrease in Net Patient Accounts Receivable	(826,604)	253,960	
(Increase)/Decrease in Other Receivables	(387,807)	255,964	
(Increase)/Decrease in Inventories	(91,798)	(77,749)	
(Increase)/Decrease in Pre-Paid Expenses	(143,452)	(505,817)	
(Increase)/Decrease in Due From Third Parties	355,735	489,042	
Increase/(Decrease) in Accounts Payable	(313,053)	(1,224,735)	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	(615,938)	346,126	
Increase/(Decrease) in Accrued Expenses	(19,732)	(6,066)	
Increase/(Decrease) in Patient Refunds Payable	12,079	12,079	
Increase/(Decrease) in Third Party Advances/Liabilities	(1,263,890)	(3,553,895)	
Increase/(Decrease) in Other Current Liabilities	(113,943)	131,556	Semi-Annual Interest - 2021 Insured Revenue Bonds
Net Cash Provided by Operating Activities:	(3,063,009)	(2,841,556)	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(125,029)	(313,150)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	50,096	(570,282)	Bond Principal & Int Payment - 2014 & 2021 Bonds
(Increase)/Decrease in Other Assets	6,416	19,248	Amortization
Net Cash Used by Investing Activities	(68,517)	(864,184)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Bond/Mortgage Debt	(28,520)	(85,560)	Refinancing of 2013 Bonds with 2021 Bonds
Increase/(Decrease) in Capital Lease Debt	0	0	
Increase/(Decrease) in Other Long Term Liabilities	0	0	
Net Cash Used for Financing Activities	(28,520)	(85,560)	
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	0	
Net Increase/(Decrease) in Cash	(2,795,912)	(2,900,102)	
Cash, Beginning of Period	18,671,866	18,776,056	
Cash, End of Period	\$15,875,954	\$15,875,954	

Cost per day to run the District **\$382,529**

Operational Days Cash on Hand 41.50

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**HAZEL HAWKINS HOSPITAL
BAD DEBT WRITE OFF
OCTOBER
2021**

<u>CCS BAD DEBT RECOVERY %:</u>		15.60%
<u>BAD DEBT RECOVERY \$: SEPTEMBER 2021</u>	\$	125,959.51

COLLECTION CONSULTING SERVICES:

366 Accounts Ready for Collections	\$	390,626.05
------------------------------------	----	------------

TOTAL BAD DEBT	\$	390,626.05
WRITE-OFF COUNT	#	366

CHARITY CARE SEPTEMBER 2021

36 Accounts W/O to Charity	\$	55,925.89
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SLIDING FEE SCALE CLINICS SEPTEMBER 2021

73 Accounts W/O to Sliding Fee Scale	\$	31,689.00
--------------------------------------	----	-----------

TOTAL CHARITY CARE SEPTEMBER 2021	\$	87,614.89
--	----	-----------

*NOTE

TOTAL WRITE-OFF	\$	478,240.94
------------------------	----	------------

Hazel Hawkins Memorial Hospital
 Bad Debt Expense
 For the Year Ending June 30, 2022

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total		
Budgeted Gross Revenue	28,077,628	28,267,165	27,507,614	30,000,374	27,367,008	27,461,364	29,584,020	27,738,115	28,163,207	28,701,313	27,450,017	26,750,954	337,068,779		
Budgeted Bad Debt Expense	256,791	258,639	251,859	275,200	249,843	250,205	272,444	256,135	258,393	263,901	250,864	244,615	3,088,889		
BD Exp as a percent of Gross Revenue	0.91%	0.91%	0.92%	0.92%	0.91%	0.91%	0.92%	0.92%	0.92%	0.92%	0.91%	0.91%	0.92%		
Actual Gross Revenue	30,573,916	32,794,947	31,149,360	-	-	-	-	-	-	-	-	-	94,518,223		
Actual Bad Debt Expense	253,140	298,645	409,735	-	-	-	-	-	-	-	-	-	961,520		
BD Exp as a percent of Gross Revenue	0.83%	0.91%	1.32%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1.02%		
Budgeted YTD BD Exp	767,289	0.92%													
Actual YTD BD Exp	961,520	1.02%													
													YTD Charity Exp Budget	202,518	
													YTD Charity Exp Actual	243,569	
Amount under (over) budget	(194,231)	-0.10%													
														Amt under (over) budget	(41,051)
Prior Year percent of Gross Revenue	0.95%													Charity Exp % of Gross Rev	0.26%
Percent of Decrease (Inc) from Prior Year	-7.1%														

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San Benito County - Current Districts Official Demographics

District		1	2	3	4	5	Total
	Total Pop	14,234	12,113	13,065	12,032	12,893	64,337
	Deviation from ideal	1,367	-754	198	-835	26	2,202
	% Deviation	10.62%	-5.86%	1.54%	-6.49%	0.20%	17.11%
Total Pop	% Hisp	56.0%	53%	69%	45%	82%	61%
	% NH White	36%	38%	23%	46%	12%	31%
	% NH Black	1%	1%	1%	1%	1%	1%
	% Asian-American	4%	5%	4%	5%	3%	4%
Citizen Voting Age Pop	Total	7,947	7,707	7,996	8,295	6,237	38,182
	% Hisp	43%	43%	60%	35%	75%	50%
	% NH White	51%	48%	36%	59%	20%	44%
	% NH Black	2%	0%	1%	1%	2%	1%
	% Asian/Pac.Isl.	3%	6%	3%	4%	2%	4%
Voter Registration (Nov 2020)	Total	8,412	6,943	6,559	7,768	5,894	35,576
	% Latino est.	45%	40%	58%	34%	75%	49%
	% Spanish-Surnamed	41%	37%	53%	31%	69%	45%
	% Asian-Surnamed	2%	2%	1%	2%	1%	2%
	% Filipino-Surnamed	2%	2%	2%	2%	2%	2%
	% NH White est.	53%	58%	42%	63%	26%	50%
	% NH Black	2%	1%	1%	1%	1%	1%
Voter Turnout (Nov 2020)	Total	6,832	5,732	5,187	6,549	4,424	28,724
	% Latino est.	41%	37%	55%	32%	73%	46%
	% Spanish-Surnamed	38%	35%	51%	30%	68%	42%
	% Asian-Surnamed	2%	2%	1%	2%	1%	2%
	% Filipino-Surnamed	2%	2%	2%	1%	2%	2%
	% NH White est.	56%	60%	44%	64%	28%	52%
% NH Black	2%	0%	1%	1%	1%	1%	
Voter Turnout (Nov 2018)	Total	4,528	4,196	3,636	4,963	2,734	20,057
	% Latino est.	35%	34%	51%	27%	70%	40%
	% Spanish-Surnamed	32%	32%	47%	25%	66%	38%
	% Asian-Surnamed	1%	2%	1%	2%	1%	2%
	% Filipino-Surnamed	1%	2%	2%	1%	1%	1%
	% NH White est.	62%	63%	47%	69%	30%	57%
% NH Black est.	2%	0%	1%	1%	1%	1%	
ACS Pop. Est.	Total	11,801	11,097	14,162	11,971	11,346	60,376
Age	age0-19	27%	26%	34%	25%	31%	29%
	age20-60	54%	50%	53%	53%	56%	53%
	age60plus	20%	24%	13%	23%	13%	18%
Immigration	immigrants	24%	18%	19%	13%	26%	20%
	naturalized	44%	55%	40%	49%	39%	45%
Language spoken at home	english	66%	69%	53%	70%	45%	60%
	spanish	32%	27%	42%	25%	53%	36%
	asian-lang	1%	2%	1%	2%	1%	2%
	other lang	2%	3%	4%	3%	1%	3%
Language Fluency	Speaks Eng. "Less than Very Well"	15%	12%	21%	10%	25%	17%
Education (among those age 25+)	hs-grad	48%	50%	51%	55%	50%	51%
	bachelor	14%	17%	11%	18%	8%	14%
	graduatedegree	7%	8%	5%	9%	2%	6%
Child in Household	child-under18	40%	37%	48%	38%	51%	43%
Pct of Pop. Age 16+	employed	66%	64%	71%	67%	71%	68%
Household Income	income 0-25k	7%	9%	16%	5%	11%	10%
	income 25-50k	15%	15%	19%	15%	20%	17%
	income 50-75k	16%	17%	18%	12%	18%	16%
	income 75-200k	50%	46%	40%	53%	44%	47%
	income 200k-plus	12%	13%	7%	15%	6%	11%
Housing Stats	single family	95%	85%	76%	92%	91%	88%
	multi-family	5%	15%	24%	8%	9%	12%
	rented	25%	39%	50%	30%	36%	36%
	owned	75%	61%	50%	70%	64%	64%

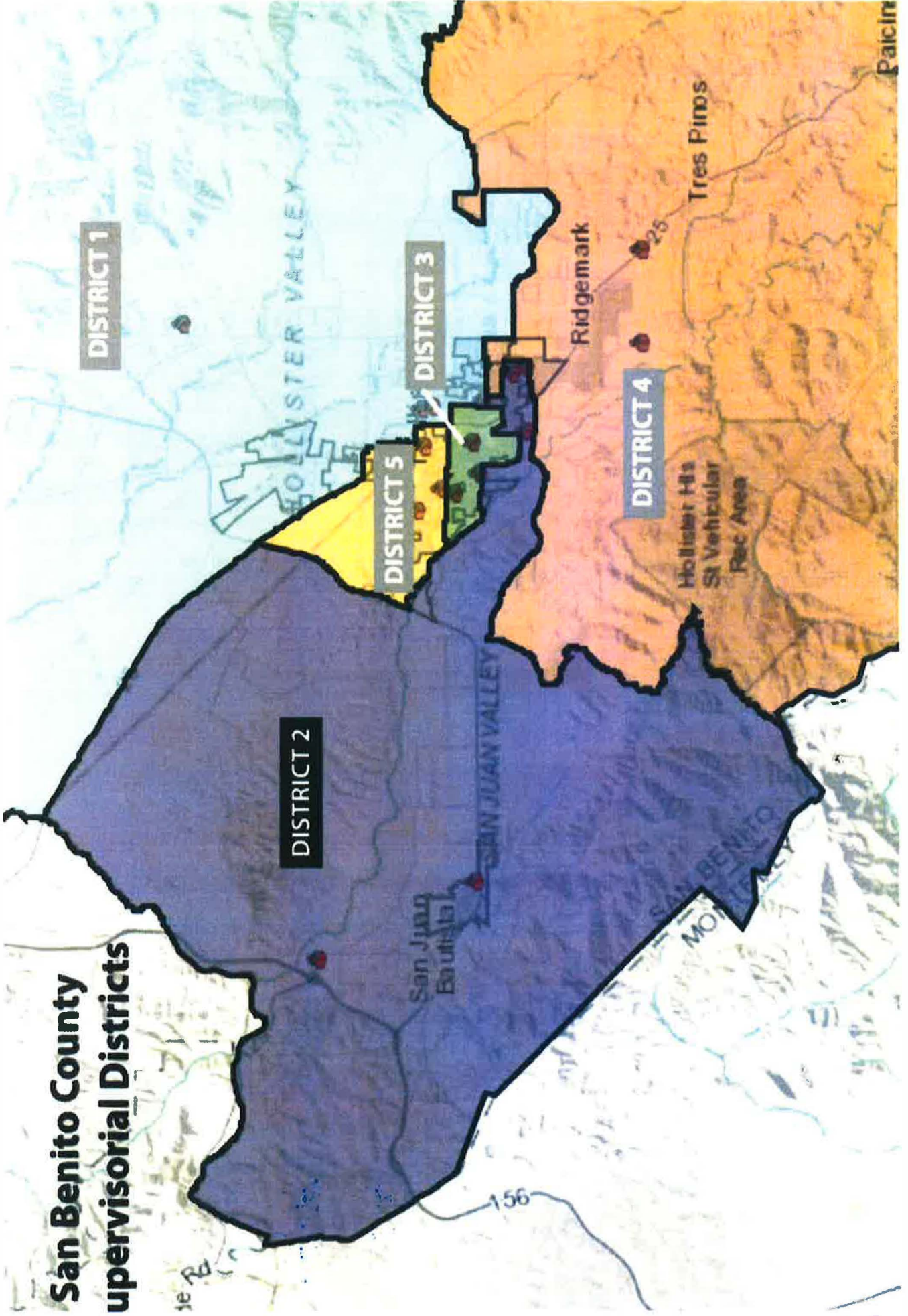
Total population data from the 2020 Decennial Census.

Surname-based Voter Registration and Turnout data from the California Statewide Database.

Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2015-2019 American Community Survey and Special Tabulation 5-year data.

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San Benito County Supervisory Districts



Hazel Hawkins Memorial Hospital
Pro forma for General Surgeon
For the Fiscal Year Ending 06/30/2021

	Dr. Gerry's Agreement with various volume scenarios			
	Actual Dr. Hsu	Avg Actual Hsu & Rondina	Volume inc 10% over Avg.	Volume inc 25% over Avg.
Cases:				
- Inpatient	14	31	34	39
- Outpatient	144	206	227	258
Sub-total Cases	158	237	261	296
Revenue:				
- MSC	146,398	144,732	159,205	180,915
- RHC	68,005	96,313	105,944	120,391
Sub-total Revenue	214,403	241,045	265,150	301,306
Compensation:				
- MSC	298,650	250,000	250,000	250,000
- RHC	222,850	180,000	180,000	180,000
Sub-total Compensation	521,500	430,000	430,000	430,000
Net Earnings (Loss)	(307,097)	(188,955)	(164,851)	(128,694)
Other:				
- Ancillary Receipts	923,112	1,581,827	1,740,010	1,977,284
- ER call	(140,900)	(170,000)	(170,000)	(170,000)
Total Net Earnings (Loss)	475,115	1,222,872	1,405,159	1,678,590

Notes:

- Dr. Gerry is replacing Dr. Hsu's position.
- Years 1 & 2 Base Compensation for Dr. Gerry is \$600,000. Year 3, the base drops to \$494,000. Year 3 the provider is eligible for work RVU production compensation which should make the projected total compensation remain at the same level as years 1 & 2.

Hazel Hawkins Memorial Hospital
Pro forma for General Surgeon
For the Fiscal Year Ending 06/30/2021

	Actual Dr. Rondina	Dr. Gabriel's Agreement with various volume scenarios		
		Avg Actual Hsu & Rondina	Volume inc 10% over Avg.	Volume inc 25% over Avg.
Cases:				
- Inpatient	48	31	34	39
- Outpatient	268	206	227	258
Sub-total Cases	316	237	261	296
Revenue:				
- MSC	143,067	144,732	159,205	180,915
- RHC	124,621	96,313	105,944	120,391
Sub-total Revenue	267,688	241,045	265,150	301,306
Compensation:				
- MSC	209,193 *	242,000	242,000	242,000
- RHC	168,468	172,000	172,000	172,000
Sub-total Compensation	377,661	414,000	414,000	414,000
Net Earnings (Loss)	(109,973)	(172,955)	(148,851)	(112,694)
Other:				
- Ancillary Receipts	2,240,542	1,581,827	1,740,010	1,977,284
- ER call	(152,300)	(168,000)	(168,000)	(168,000)
Total Net Earnings (Loss)	<u>1,978,269</u>	<u>1,240,872</u>	<u>1,423,159</u>	<u>1,696,590</u>

Notes:

- Dr. Gabriel is replacing Dr. Rondina's position.
- Years 1 & 2 Base Compensation for Dr. Gabriel is \$582,000 which includes recruitment incentives. Year 3, the base drops to \$457,000. However the provider is eligible for work RVU production compensation and quality metrics incentives which should make the projected total compensation remain at the same level as years 1 & 2.

* The base rate for this report for Dr. Rondina is the annualized compensation from his agreement effective 07/01/2021.

Handwritten initials

Hazel Hawkins Memorial Hospital

Capital Request Form

Department(s): Patient Account, Registration, Outpatient Services
 Item Requested: MediTech Patient Portal Module
 Requested by: Mark Robinson

New	Replacement
<input type="checkbox"/>	<input checked="" type="checkbox"/>
Purchase	Lease
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Purchase Price:

- Perpetual License	\$72,760	
- Implementation Cost	\$44,394	
- Sales Tax @ 9.25% of taxable portion	\$10,837	estimated
- Shipping	\$0	

Total Cost

\$127,991

Lease Terms:

- Number of Years
 - Cost per month
- One-Time Fee
Not Applicable

Service Agreement Required:

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

If Yes, Perpetual Annual Cost:

\$728

Combined Total Cost - Software & Service Agreement

\$128,719

Annual combined Service cost and depreciation.

\$ 25,598.20

Revenue Producing

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

Reason(s) for Request:

1) The District uses the Iatric system for its patient portal. The new MediTech Patient Portal module would better serve the District since the information is already in MediTech and does not have to interface with a 3rd party system.

Justification:

- * The MediTech Patient Portal was reviewed by the Directors of Patient Accounting, Registration, and the Outpatient clinics.
- * The Directors were unanimous that MediTech's Patient Portal is a much better system.
- * Iatric uses 4 separate modules that cost the District **\$27,962.09** annually in support services.
- * After 5 years, the District will save over \$27,000 annually.

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**Medical Information Technology, Inc.
Software Proposal**

**Hazel Hawkins Memorial Hospital
Hollister, California**

May 11, 2021

**Peter Migdal
Senior Marketing Consultant
Quote #878192**

Medical Information Technology, Inc.
Software Proposal
Hazel Hawkins Memorial Hospital

MEDITECH Software

<u>Description</u>	<u>Perpetual License</u>	<u>Implementation Fee</u>	<u>Monthly Service Fee</u>
Pt & Consr Health Portal	\$ 72,760	\$ 44,394	\$ 728
Total	\$ 72,760	\$ 44,394	\$ 728
MEDITECH Implementation Fee	\$ 44,394		
Total One Time Cost	\$ 117,154		

Additional Notes

Taxes are responsibility of the Licensee.

Software quote is valid for 90 days

Medical Information Technology, Inc.
Software Proposal
Hazel Hawkins Memorial Hospital

Cost Summary

	<u>Perpetual License</u>	<u>Implementation Costs</u>	<u>One Time Cost Total</u>	<u>Monthly Service Fee</u>
MEDITECH Software	\$ 72,760	\$ 44,394	\$ 117,154	\$ 728
Total	\$ 72,760	\$ 44,394	\$ 117,154	\$ 728

It is agreed that Customer shall have a single option to delay delivery of the LICENSED SOFTWARE (subject to contractual and compatibility requirements) to a date other than the date assigned. To exercise this option Customer must notify MEDITECH in writing at least 120 days prior to the scheduled delivery date. Customer may elect to delay delivery for a period not to exceed 365 days (subject to MEDITECH internal resource availability) from the originally-scheduled delivery date. MEDITECH will provide Customer with a mutually agreeable new delivery date. If Customer chooses not to implement on the newly scheduled date, the specified line items will be cancelled and MEDITECH shall retain any money previously paid in association with such line items.

Software quote is valid for 90 days

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**San Benito
Healthcare District
Pension Plan**

**Governmental Accounting Standards Board
(GASB) Statement 68**

**Valuation Date December 31, 2020
Measurement Date December 31, 2020
Fiscal Year Ending June 30, 2021**

September 28, 2021



September 28, 2021

San Benito Healthcare District
Defined Benefit Pension Plan
Retirement Committee
911 Sunset Drive.
Hollister, CA 95023

Re: San Benito Healthcare District Pension Plan GASB 68 Report for FYE June 30, 2021.

We are pleased to submit this Governmental Accounting Standards Board (GASB) Statement 68 Actuarial Valuation for the San Benito Healthcare District ("District") Pension Plan ("Plan") as of the December 31, 2020 measurement date for the June 30, 2021 fiscal year end. This report complies with disclosure requirements under GASB Statement 68.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the plan sponsor to assist in the administration of the Plan. Wells Fargo Bank, N.A., provided the financial information and employee data furnished by the District.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

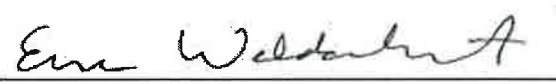
We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. In our opinion, assumptions as approved by the plan sponsor are reasonably related to the experience of and expectations for the Plan.

We would be pleased to answer any questions on the material contained in this report or to provide explanation or further detail as may be appropriate.

Respectfully submitted,

Nicolay Consulting Group


Earlene Young, EA, FCA, MAAA
Senior Actuary


Eric Waldschmidt, EA, ASA, FCA, MAAA
Vice President
Enrolled Actuary No. 20-4511

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Section I Management Summary

A) Highlights

Summary of Key Valuation Results

	6/30/2021	6/30/2020
Reporting Date for Employer under GASB 68:	Jun 30, 2021	Jun 30, 2020
Measurement Date for Employer under GASB 68:	Dec 31, 2020	Dec 31, 2019
Service Cost	\$2,139,969	\$2,099,705
Total Pension Liability	\$47,381,934	\$42,620,355
Plan Fiduciary Net Position	<u>35,138,016</u>	<u>29,764,860</u>
Net Pension Liability	\$12,243,918	\$12,855,495
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74%	70%
Contributions for fiscal year ending June 30:		
Actuarially Determined Contributions ¹	\$3,545,809	\$3,577,595
Actual Employer Contributions	<u>2,702,669</u>	<u>1,306,536</u>
Contribution Deficiency (excess)	\$843,140	\$2,271,059
Total Covered Payroll	\$28,848,422	\$30,784,852
Actual Employer Contributions as a % of Payroll	9.37%	4.24%
Demographic data for fiscal year ending June 30²:		
Number of retired members and beneficiaries	110	97
Number of vested terminated members	125	120
Number of Frozen-Active (Inactive) participants	20	19
Number of active members	<u>295</u>	<u>321</u>
Total	550	557
Key assumptions as of June 30:		
Investment rate of return	6.50%	6.75%
Projected salary Increases	NUHW: 5.50% per year CNA: 4.00% per year Other: 5.25% per year	

¹ GASB 68 reports the Actuarially Determined Contribution (ADC) net of employee contributions.

² Census data as of December 31, 2020 is used in the measurement of the Total Pension Liability as of June 30, 2021.

Section I Management Summary

B) Important Information about Actuarial Valuation

In order to prepare an actuarial valuation, Nicolay Consulting Group ("NCG") relies on a number of input items. These include:

- **Assets and Participant Data** This valuation is based on the market value of assets as of the measurement date December 31, 2020, as provided by Wells Fargo and participant data as of the same measurement date and supplied by the district.
- **Actuarial Methods** The total pension liability was determined as part of an actuarial valuation as of December 31, 2020 using actuarial methods and assumptions in accordance with GASB No. 68. The total pension liability was calculated using the Entry Age Normal actuarial cost method. For additional information on actuarial methods, see Section V.
- **Actuarial Assumptions** The projected benefits are discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan's assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results that does not mean that the previous assumptions were unreasonable. For additional information on actuarial assumptions, see Section V.

The user of Nicolay Consulting Group's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The valuation is prepared at the request of the plan sponsor to assist the sponsors of the Plan in preparing items related to the pension plan in their financial reports. NCG is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement of the Plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, NCG did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the Plan.
- If the plan sponsor is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, NCG should be advised, so that any discrepancy can be evaluated.
- NCG does not provide investment, legal, accounting, or tax advice. NCG's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The plan sponsor should look to their other advisors for expertise in these areas.

As NCG has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the plan sponsor.

Section II GASB 68 Exhibits

A) Schedule of Changes in Net Pension Liability (Exhibit 1)

Fiscal Year Ending	2021	2020
Total Pension Liability		
Service cost	\$2,139,969	\$2,099,705
Interest	2,986,614	2,664,097
Change of benefit terms	0	0
Differences between expected and actual	(546,664)	(1,044,501)
Changes of assumptions	1,227,120	1,939,682
Benefit payments, including refunds of employee	<u>(1,045,460)</u>	<u>(814,046)</u>
Net change in Total Pension Liability	\$4,761,579	\$4,844,418
Total Pension Liability – beginning	<u>42,620,355</u>	<u>37,775,418</u>
Total Pension Liability – ending (a)	<u>\$47,381,934</u>	<u>\$42,620,355</u>
Plan Fiduciary Net Position		
Contributions – employer	\$2,702,669	\$1,306,536
Contributions – employee	157,844	132,175
Net investment income	3,575,885	4,845,847
Benefit payments, including refunds of employee	(1,045,460)	(814,046)
Administrative expense	(17,782)	(16,108)
Other	<u>0</u>	<u>0</u>
Net change in Plan Fiduciary Net Position	\$5,373,156	\$5,454,404
Plan Fiduciary Net Position – beginning	<u>29,855,495</u>	<u>24,310,456</u>
Plan Fiduciary Net Position – ending (b)	\$35,138,016	\$29,764,860
Net Pension Liability – ending (a) – (b)	<u>\$12,243,918</u>	<u>\$12,855,495</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	74%	70%
Covered employee payroll	\$28,848,422	\$30,784,852
Plan Net Pension Liability as percentage of covered employee payroll	42.4%	41.8%

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Section II GASB 68 Exhibits

B) Summary of Changes in the Net Pension Liability (Exhibit 2)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Measurement as of December 31, 2019:	\$42,620,355	\$29,764,860	\$12,855,495
Recognized Changes Resulting from:			
▪ Service cost	2,139,969	-	2,139,969
▪ Interest	2,986,614	-	2,986,614
▪ Diff. between expected and actual experience	(546,664)	-	(546,664)
▪ Changes of assumptions	1,227,120	-	1,227,120
▪ Contributions – employer	-	2,702,669	(2,702,669)
▪ Contributions – employee	-	157,844	(157,844)
▪ Net investment income – Expected	-	2,050,915	(2,050,915)
▪ Net investment income – Gain/(loss)	-	1,524,970	(1,524,970)
▪ Benefit payments	(1,045,460)	(1,045,460)	-
▪ Administrative expense	-	(17,782)	17,782
▪ Change of benefit terms	-	-	-
Net Changes	\$4,761,579	\$5,373,156	(\$611,577)
Measurement as of December 31, 2020:	\$47,381,934	\$35,138,016	\$12,243,918

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Section II GASB 68 Exhibits

C) Derivation of Significant Actuarial Assumptions

The actuarial assumptions included (a) 6.50% investment long-term expected rate of return, net of investment expenses, and (b) projected salary increases of 4.0% for CNA and 5.5% for NUHW. See section V for more detail.

Long-term Expected Rate of Return – The long-term expected rate of return on the Plan's investments was based on updated capital market projections by the investment consultant, Lockton Retirement Service, adjusted for administrative expenses paid from trust.

Investment Class	Target Allocation*	Long-Term Expected Return on Asset*
US Large Cap Equity	31%	2.48%
US Small / SMID	14%	1.26%
International Equity	15%	1.20%
Total Equity	60%	4.94%
Core Bond	20%	0.80%
Core Plus / Multi-Sector	15%	0.75%
Cash/Short-term	5%	0.13%
Total Fixed Income	40%	1.68%

Investment Class	Long-Term Expected Return on Asset*
US Large Cap Equity	8.00%
US Small / SMID	9.00%
International Equity	8.00%
Emerging Market Equity	9.00%
REITs	8.00%
Commodities	5.00%
Money Market	2.00%
Short-Term Bond	2.50%
Core Bond	4.00%
Long Corporate Bond	6.00%
High Yield Bond	6.50%

* Expected Return on Assets information provided by Lockton.

Discount rate – The discount rate used to measure the total pension liability was 6.50%. This single discount rate was based on the expected rate of return on pension plan investments of 6.50%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members (see Exhibit 9). Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Section II GASB 68 Exhibits

D) Sensitivity Analysis (Exhibit 3)

Sensitivity of the Net Pension Liability to changes in the discount rate – The following presents the net pension liability at the System calculated using the discount rate of 6.5%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.5%) or 1% point higher (7.5%) than the current rate:

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
San Benito Healthcare District net pension liability	\$18,677,631	\$12,243,918	\$6,869,668

Section II GASB 68 Exhibits

E) Pension Expense for Measurement Period (Exhibit 4)

Measurement Period Ending December 31:	2020	2019
Components of Pension Expense:		
Service Cost	\$2,139,969	\$2,099,705
Interest on the Total Pension Liability (Exhibit 5)	2,986,614	2,664,097
Projected Earnings on Pension Plan Investments (Exhibit 6)	(2,050,915)	(1,651,022)
Employee Contributions	(157,844)	(132,175)
Administrative Expense	17,782	16,108
Changes on Benefit Terms	0	0
Recognition of Deferred Resources Due to:		
▪ Changes of Assumptions	756,124	565,340
▪ Differences Between Expected/Actual Experience	(172,579)	(87,588)
▪ Differences Between Projected/Actual Earnings on Assets	<u>(567,475)</u>	<u>(33,857)</u>
Aggregate Pension Expense	\$2,951,676	\$3,440,608

Section II GASB 68 Exhibits

F) Interest on the Total Pension Liability (Exhibit 5)

	Amount for Period a	Portion of Period b	Interest Rate c	Interest on the Total Pension Liability a*b*c
Beginning Total Pension Liability	\$42,620,355	100%	6.75%	\$2,876,874
Service Cost	\$2,139,969	100%	6.75%	144,448
Benefit payments, including refunds¹	(\$1,045,460)	50%	6.75%	(34,708)
Total Interest on the TPL				\$2,986,614

¹Includes employee contribution refunds

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Section II GASB 68 Exhibits

G) Projected Earnings on Plan Fiduciary Net Position (Exhibit 6)

	Amount for Period a	Portion of Period b	Projected Interest Rate c	Projected Earnings ² a*b*c
Beginning plan fiduciary net position	\$29,764,860	100%	6.75%	\$2,009,128
Employer contributions	\$2,702,669	various	6.75%	72,702
Employee contributions	\$157,844	various	6.75%	4,383
Benefit payments, including refunds¹	(\$1,045,460)	50%	6.75%	(34,708)
Administrative expense and other	(\$17,782)	50%	6.75%	(590)
Total Projected Earnings				\$ 2,050,915

¹Includes employee contribution refunds

²Projected earnings are not determined.

Section II GASB 68 Exhibits

H) Deferred Inflows/Outflows of Resources (Exhibit 7)

Fiscal year Ending June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the TPL	\$329,388	\$1,342,589
Changes in assumptions	3,695,237	316,588
Net difference between projected and actual earnings of pension plan investments	0	2,302,386
Contribution to pension plan after measurement date	<u>1,417,311</u>	<u>0</u>
Total	\$ 5,441,936	\$ 3,961,563

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2022	(\$66,921)
2023	180,578
2024	(360,414)
2025	80,850
2026	183,271
Thereafter	<u>45,698</u>
	\$63,062

Section II GASB 68 Exhibits

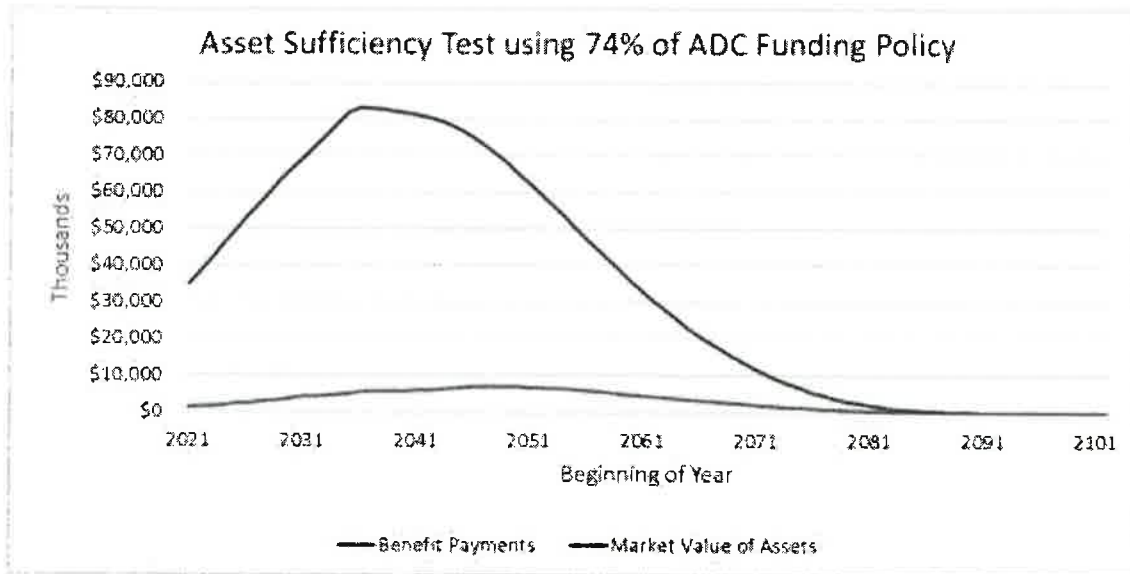
I) Journal Entry to Record the NPL for FY ended June 30, 2021 (Exhibit 8)

	DR	CR
Net Position	\$ 10,763,545	-
DO-Experience	329,388	-
DO-Investment	-	-
DO-Contributions	1,417,311	-
DO-Assumptions	3,695,237	-
DI-Experience	-	1,342,589
DI-Investment	-	2,302,386
DI-Assumptions	-	316,588
NPL	-	12,243,918
	<u>\$16,205,481</u>	<u>\$16,205,481</u>

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Section II GASB 68 Exhibits

J) Asset Sufficiency Test (Exhibit 9)



For the asset sufficiency test, assets are projected using expected employer and employee contributions, expected benefit payments and expected return. Assets are then compared to expected benefit payments in each future year to confirm sufficiency. The table above shows that assets are expected to be sufficient to cover all future plan cash flows.

GASB 68 bases the discount rate on a blend of the employer's Expected Long-Term Return on Assets and the current rate on high-grade 20-yr municipal bonds as of the measurement date. The former is used to discount future cash flows of which future trust assets are sufficient to cover while the latter is used to discount the rest. The GASB 68 discount rate is the single-equivalent (blended) rate that, when used to discount all future cash flows, results in the same present value resulting from using the two rates. Future assets include contributions expected to be made in the future based on the employer's funding policy and history of contributions made.

<i>Employer's Funding Policy:</i>	Contribute the Full ADC
PEPRA Employee Contribution Rate	4.00%
<i>Actual Total Contributions Made (Last 5 years):</i>	74% of the Total ADC
<i>Expected Long-Term Return on Assets:</i>	6.50%
<i>GO Bond Index as of December 31, 2020:</i>	3.50%

Since current trust assets plus future contributions and projected earnings will be sufficient to cover all future plan cash flows, the GASB 68 blended discount rate is 6.50%.

Section III Supplementary Information

A) Schedule of Contributions - Last Six Fiscal Years (Exhibit 10)

Measurement Year Ended Dec 31	Actuarially Determined Contributions ¹	Contributions in Relation to the Actuarially Determined Contributions ²	Contribution Deficiency (Excess)	Covered Employee Payroll
2014	1,558,842	3,056,518	(1,497,676)	29,126,434
2015	3,058,440	3,058,440	0	31,424,795
2016	3,375,540	272,374	3,103,166	29,345,672
2017	3,330,495	2,213,588	1,116,907	30,648,185
2018	3,486,828	3,933,677	(446,849)	30,690,643
2019	3,577,595	1,306,536	2,271,059	30,784,852
2020	3,545,809	2,702,669	843,140	28,848,422

¹ Amounts shown are the total ADC for the Plan net of employee contributions (i.e., the employer ADC).

² 2014 through 2017 amounts reflect impact of Plan Year accrued contributions and 2017 amount includes 2016 employee contributions.

Section III Supplementary Information

B) Schedules of Changes of Assumptions (Exhibit 11)

Measurement Date	Changes of Assumption	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions (Reporting Dates)						
			2021	2022	2023	2024	2025	2026	Thereafter
2014	3,785,415	9.440	375,186	375,186	375,186	375,186	165,081	-	-
2015	(48,983)	9.440	(5,189)	(5,189)	(5,189)	(5,189)	(2,282)	-	-
2016	(506,429)	8.038	(63,004)	(63,004)	(63,004)	(63,004)	(2,397)	-	-
2017	(132,646)	7.520	(17,639)	(17,639)	(17,639)	(17,639)	(9,173)	-	-
2018	(74,412)	7.652	(9,724)	(9,724)	(9,724)	(9,724)	(9,724)	(6,344)	-
2019	1,939,682	6.789	285,710	285,710	285,710	285,710	285,710	225,422	-
2020	1,227,120	6.432	190,784	190,784	190,784	190,784	190,784	190,784	82,416
Net Increase (Decrease) in Pension Expense			756,124	756,124	756,124	756,124	617,999	409,862	82,416

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Section III Supplementary Information

C) Deferred Outflows of Resources and Deferred Inflows of Resources Arising From Changes of Assumptions (Exhibit 12)

Measurement Date	Increase in Total Pension Liability a	Decrease in Total Pension Liability b	Amount Recognized in Pension Expense Through June 30, 2021 c	Balances at June 30, 2021	
				Deferred Outflows of Resources a - c	Deferred Inflows of Resources b - c
2014	3,785,415	-	2,494,776	1,290,639	-
2015	-	(48,983)	(31,134)	-	(17,849)
2016	-	(506,429)	(315,020)	-	(191,409)
2017	-	(132,646)	(70,556)	-	(62,090)
2018	-	(74,412)	(29,172)	-	(45,240)
2019	1,939,682	-	571,420	1,368,262	-
2020	1,227,120	-	190,784	1,036,336	-
				3,695,237	(316,588)

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Section III Supplementary Information

D) Schedule of Differences between Expected and Actual Experience (Exhibit 13)

Measurement Date	Difference Between Expected and Actual Experience	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of effects of Differences between Expected and Actual Experience (Reporting Dates)						
			2021	2022	2023	2024	2025	2026	Thereafter
2014	131,657	9.440	13,049	13,049	13,049	13,049	5,742	-	-
2015	74,961	9.440	7,941	7,941	7,941	7,941	3,492	-	-
2016	187,133	8.038	23,281	23,281	23,281	23,281	885	-	-
2017	398,336	7.520	52,970	52,970	52,970	52,970	27,546	-	-
2018	(237,050)	7.652	(30,977)	(30,977)	(30,977)	(30,977)	(30,977)	(20,211)	-
2019	(1,044,501)	6.789	(153,852)	(153,852)	(153,852)	(153,852)	(153,852)	(121,389)	-
2020	(546,664)	6.432	(84,991)	(84,991)	(84,991)	(84,991)	(84,991)	(84,991)	(38,718)
Net Increase (Decrease) in Pension Expense			(172,579)	(172,579)	(172,579)	(172,579)	(232,155)	(226,591)	(36,718)

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Section III Supplementary Information

**E) Deferred Outflows of Resources and Deferred Inflows of Resources
Arising from Differences between Expected and Actual Experience (Exhibit 14)**

Measurement Date	Increase in Total Pension Liability a	Decrease in Total Pension Liability b	Amount Recognized in Pension Expense Through June 30, 2021 c	Balances at June 30, 2021	
				Deferred Outflows of Resources a - c	Deferred Inflows of Resources b - c
2014	131,657	-	86,768	44,889	-
2015	74,961	-	47,646	27,315	-
2016	187,133	-	116,405	70,728	-
2017	398,336	-	211,880	186,456	-
2018	-	(237,050)	(92,931)	-	(144,119)
2019	-	(1,044,501)	(307,704)	-	(736,797)
2020	-	(546,664)	(89,991)	-	(461,673)
				329,388	(1,342,589)

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Section III Supplementary Information

F) Increase (Decrease) in Pension Expense Arising from the Recognition of Difference Between Projected and Actual Earnings on Pension Plan Investments (Exhibit 15)

Measurement Date	Changes of Assumption	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of Difference between Projected and Actual Earnings on Pension Plan Investments (Reporting Dates)						
			2021	2022	2023	2024	2025	2026	Thereafter
2016	414,949	5.00	82,989	-	-	-	-	-	-
2017	(1,237,492)	5.00	(247,498)	(247,500)	-	-	-	-	-
2018	2,704,964	5.00	540,993	540,993	540,992	-	-	-	-
2019	(3,194,825)	5.00	(638,965)	(638,965)	(638,965)	(638,965)	-	-	-
2019	(1,524,970)	5.00	(304,994)	(304,994)	(304,994)	(304,994)	(304,994)	-	-
Net Increase (Decrease) in Pension Expense			(567,475)	(650,466)	(402,967)	(943,959)	(304,994)	-	-

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Section III Supplementary Information

G) Deferred Outflows of Resources and Deferred Inflows of Resources arising from Differences between Projected and Actual Earnings and Plan Investments (Exhibit 16)

Measurement Date	Increase in Total Pension Liability a	Decrease in Total Pension Liability b	Amount Recognized in Pension Expense Through June 30, 2021 c	Balances at June 30, 2021	
				Deferred Outflows of Resources a - c	Deferred Inflows of Resources b - c
2016	414,949	-	414,949	-	-
2017	-	(1,237,492)	(989,992)	-	(247,500)
2018	2,704,964	-	1,622,979	1,081,985	-
2019	-	(3,194,825)	(1,277,930)	-	(1,916,895)
2020	-	(1,524,970)	(304,994)	-	(1,219,976)
Sub-Total				1,081,985	(3,384,371)
Total					(2,302,386)

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Section IV Participant Data

A) Participant Data

This actuarial valuation is based on participant data provided by the District. NCG does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for NCG to receive the best possible data and to be informed about any known incomplete or inaccurate data.

At December 31, 2020, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	110
Vested terminated members entitled to, but not yet receiving benefits	125
Frozen Active (Inactive) participants	20
Active members	<u>295</u>
Total	550

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Section V Actuarial Assumptions and Methods

A) Actuarial Assumptions

Measurement Date	December 31, 2020										
Reporting Date	June 30, 2021										
Discount Rate/ Investment Return:	6.50% per annum, compounded annually. The investment return assumption was set based on updated capital market projections by the investment consultant, Lockton Retirement Services, adjusted for administrative expenses paid from trust. For the December 31, 2019 valuation, 6.75% per annum was assumed.										
Salary Scale:	5.50% per annum (NUHW); 4.00% per annum (CNA); 5.25% per annum (all other participants).										
Mortality:	<u>December 31, 2020 Valuation</u> PubG-2010 Public Retirement Mortality Tables for Males and Females with Projections using MP-2020. <u>December 31, 2019 Valuation</u> PubG-2010 Generational Mortality Tables for Males and Females with Projections using MP-2019.										
Retirement:*	100% at Normal Retirement Age*.										
Turnover:*	Based on T-4 Table, Sample Rates are*: <table><thead><tr><th>Age</th><th>Rate</th></tr></thead><tbody><tr><td>25</td><td>5.29%</td></tr><tr><td>35</td><td>4.70%</td></tr><tr><td>45</td><td>3.54%</td></tr><tr><td>55</td><td>0.94%</td></tr></tbody></table>	Age	Rate	25	5.29%	35	4.70%	45	3.54%	55	0.94%
Age	Rate										
25	5.29%										
35	4.70%										
45	3.54%										
55	0.94%										
Disability:	None.										
Marital Status:	Percentage married: 80% of males and females are assumed to be married. Age difference: Females are assumed to be three years older than males*.										

Assumption Changes

Mortality rates have been updated to use the rates recently released by the Society of Actuaries for governmental plans. The Discount Rate was revised based on updated analysis by the investment consultant. There have been no other assumption changes since the last measurement date.

* NCG has not performed an experience study to select these assumptions.

Section V Actuarial Assumptions and Methods

B) Actuarial Methods

Actuarial Cost Method:	Entry Age Normal Cost Method This method was effective December 31, 2014. Under the Entry Age Normal Actuarial Cost Method, the actuarial value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the Actuarial Accrued Liability
Amortization Methodology	The District uses straight-line amortization. For assumption changes and experience gains/losses, we assumed Average Future Working Lifetime, averages over all actives and retirees (retirees are assumed to have no future working years). For asset gains and losses use a fixed 5 year period. Plan changes are recognized immediately in the year they occurred.
Valuation of Assets:	The value of assets is determined as market value of assets as of the measurement date.
Measurement Date	December 31, 2020
Valuation Date	December 31, 2020
Funding Policy	The District's funding policy is to contribute the full ADC to the trust annually.

Section VI Plan Provisions

A) Plan Provisions

Effective Date:	January 1, 2005
Most Recent Restatement Date:	January 1, 2015
Most Recent Amendment Date:	January 1, 2016 (PEPRA Provisions)
Plan Year:	January 1 to December 31
Eligible Employee:	Benefited full-time or part-time employee. Hired prior to January 1, 2013.
Participation Entry Date:	January 1 st following three years of consecutive employment (1,000 hours in each year) and attainment of age 21.
Normal Retirement Date:	First of month after reaching age 65 and completing five Years of Service.
Deferred Retirement Date:	First of any month following actual retirement after a participant's Normal Retirement Age. An employee can work beyond his normal retirement date and continue to earn pension benefits.
Early Retirement Date:	First of any month after reaching age 50 and completing 15 Years of Service and 5 years of Plan participation.
Normal Form of Payment For Unmarried Participants:	A retirement income payable monthly for life, with guaranteed payments for 120 months.
Normal Form of Payment For Married Participants:	A retirement income payable monthly for life, with guaranteed payments for 120 months; in addition, after the 120 month period, in the event of the participant's death, the participant's spouse will receive a monthly pension equal to 50% of the participant's pension for the remainder of the spouse's lifetime.
Optional Forms of Distribution of Retirement Benefit:	No other options available.

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Section VI Plan Provisions

A) Plan Provisions (Continued)

Retirement Benefit Formula For Future Service:	Effective January 1, 2005: 1% of the participant's compensation in each calendar year. Effective January 1, 2007, the rate increases to 1.1% per year for future service of non-SEIU employees' future service after January 1, 2007, but prior to January 1, 2010. Effective January 1, 2010, the rate increases to 1.3% per year for non-SEIU employees' future service after January 1, 2010. Effective January 1, 2012, the benefit accrual rate increases to 1.3% of participant's compensation for all eligible employees' future service after January 1, 2012.
Retirement Benefit Formula For Past Service as of January 1, 2005	1% of the participant's compensation in each consecutive calendar year in which the participant completed 1,000 hours as a benefited full-time or part-time employee during the period 1999 through 2004.
Early Retirement Benefit:	Accrued benefit earned to the date of early retirement with payments commencing on participant's normal retirement date. The participant may elect to receive an actuarially reduced benefit starting after his or her early retirement date.
Disability Benefit:	Accrued benefit earned to disability retirement date with payments commencing on participant's normal retirement date. The participant may elect to receive an actuarially reduced benefit starting after his or her early retirement date.
Death Benefits:	Larger of: (1) Present value of vested accrued benefits; (2) 25,000.
Vesting of Accrued Benefits:	The earlier of (i) the completion of five years of service (1,000 hour rate) in the Plan and (ii) a participant's Normal Retirement Date. This vested benefit would be in the form of a pension beginning at normal retirement date equal to the benefits accrued at time of termination, or for a reduced amount if an election is made to have payments commence before normal retirement date.

Section VI Plan Provisions

A) Plan Provisions (Continued)

PEPRA Provisions

PEPRA Participant

"PEPRA Participant" means a participant who (i) was never a member of a California "public retirement system" as that term is defined in California Government Code section 7522.04(j), prior to January 1, 2013, (ii) was a member of a California public retirement system prior to January 1, 2013, other than the system through which this Plan is offered but was not subject to reciprocity under California Government Code section 7522.02(c), or (iii) was an active member in the system through which this Plan is offered but who returned to active membership in the system with a new employer after a break in service of more than six (6) months.

Classic Participant

Means a participant who is not a PEPRA Participant

Eligibility Requirements

Employees must be employed by the Employer in an eligible category of employment, have attained age 21, and completed three years of service in order to be eligible to participate in the plan. An eligible employee will become a participant upon the later of January 1, 2016, completion of three years of services, or attainment of age 21.

PEPRA Benefit Accrual Rates

Same as Retirement Benefit Formula for Future Service

Normal Retirement:

Normal retirement age under the plan is the later of age 65 or the date an employee complete 5 years of service. Normal retirement date is the first day of the month after reaching normal retirement age.

Section VI Plan Provisions

A) Plan Provisions (Continued)

PEPRA Provisions (Continued)

Early Retirement:

The first day of the month following a Participant's attainment of age fifty (50) years and the completion of ten (10) Years of Service, or the first day of any subsequent month preceding the Participant's Normal Retirement Age; provided, however, that a Post-2012 Participant must have attained age fifty-two (52).

Maximum Benefit of PEPRA Participants

The Accrued Benefit of a PEPRA participant shall not exceed the amount defined in PEPRA and described in Appendix A of the plan document. The amount shall be determined by interpolating to the participant's nearest completed quarter of age at the date benefit are scheduled to commence, based on the rates shown opposite the participant's age in Appendix A of the plan document table.

Based on Appendix A table, Sample rates are:

Age of retirement	Benefit Rate (Percentage of Final Base Pay)
52	1.000%
55	1.300%
60	1.800%
65	2.300%
67	2.500%

Final Base Pay

The highest average annual Pensionable Compensation earned by the Participant during a period of at least 36 consecutive months immediately preceding his retirement (or last separation from service, if earlier)

Employee Contributions

PEPRA participants shall have an initial contribution rate of at least 50% of the normal cost rate as defined under the Employer PEPRA Contribution.

Plan Provision Changes

There have been no plan provision changes since the last measurement date.

**BOARD OF DIRECTORS
DISTRICT FACILITIES & SERVICE DEVELOPMENT COMMITTEE
VIA TELECONFERENCE**

**Thursday, October 21, 2021
4:00 P.M. – Zoom Meeting**

MINUTES

PRESENT: Jeri Hernandez, Board President
Bill Johnson, Board Secretary
Steven Hannah, Chief Executive Officer
Mark Robinson, VP/Chief Financial Officer
Barbara Vogelsang, VP/Chief Clinical Officer
Jordan Wright, VP/Chief Operating Officer
Richard Tawney, Director of Engineering
Tina Pulido, Plant Operations/Construction Coordinator

I. CALL TO ORDER:

The meeting of the District's Facilities & Service Development Committee was called to order by Jeri Hernandez at 4:06p.m. via Zoom.

II. REVIEW OF MINUTES:

The minutes of the District's Facilities & Service Development Committee of September 18, 2021, were reviewed.

III. MASTER PLAN:

Steve Hannah reported that they are still holding the timeline of presenting to the Board in November/December.

IV. UPDATE ON CURRENT PROJECTS:

- CAT Scanner:
Richard Tawney reported that he is waiting for an update from the Architect. Jordan Wright reported that they are looking at possibly replacing the scanner. He will follow up with Radiology Director, Chantell McLaren.
- Main Entry Canopy Demolition:
Richard Tawney reported that they have installed the first layer of stucco and should hopefully be completed by the next Facilities meeting. Jeri Hernandez suggested purchasing large planters, the Committee agreed it was a great idea.
- Southside SNF Refresh:
Richard Tawney reported that due to COVID, this project is on hold and has requested it to be moved to the Current Projects on Hold Section.

- Acute Roof Replacement:

Richard Tawney reported that the Architect is almost ready to go to bid. Tremco was on site reviewing the roof. He anticipates going out to bid by next month.

V. CURRENT PROJECTS ON HOLD:

- SPC-4d:

Richard Tawney reported that this is on hold. Steve Hannah gave some back ground information regarding this project. It's pertaining to the Seismic updates that are required by 2031. He stated that they just passed a bill which provides for some grant funding for small rural, critical access hospitals. He stated that we would fit in rural category. The grants are not expected to pay for everything but would help. He will give more details as they become available.

- Meditation Garden "Open Area":

Richard Tawney reported that the Engineering Department has installed three new benches and rock. This project is completed.

- ER 51-50 Room Refresh:

Richard Tawney reported that due to the ED being busy, Engineering has been able to complete 50% of the project. They will continue on the project tomorrow, October 22.

VI. OTHER PROJECTS:

- Old Allergy Clinic Office:

Richard Tawney reported that Optum Serve is now occupying the office. This project is completed.

- Medical Surgical Clean Utility Room:

Richard Tawney reported that this project has been completed.

- Parking:

Richard Tawney reported that this project is also on the Space Management Committee. He stated that the Committee is accessing parking problems and solutions. He has identified approximately 25 additional parking spaces that can be used by employees across the street by the Rural Clinic. He will be looking into labeling parking spaces with "Patient/Visitor Only" markings. He looked into possibly leasing acreage on the South East side of the Mabie SNF but there isn't anything available. He will report back to the Committee as we find solutions.

- Registration Area Flooring:

Richard Tawney reported that the type of flooring installed in the Registration Department is no longer available. He suggested trying a caulking/grout mix before replacing it. If it doesn't work, they can go out to bid. The Committee agreed to trying the caulking/grout mix first. Richard Tawney stated they would have it completed by the next Facilities meeting.

- Bowling Alley Conference Room:
Richard Tawney reported that the cubicles have arrived and will be installed.
- Acute Patient Room Refresh:
Richard Tawney reported that he will be working with Dan Price to schedule closing one room at a time. Steve Hanna recommended updating plumbing fixtures, the common shower, adding the bathrooms in each room, breakrooms, charting rooms, etc. Richard Tawney will bring a budget per room to the next meeting.

VII. OPEN DISCUSSION:

- New Agenda Item:
Richard Tawney added “Open Discussion” as a new line item to the agenda. Information only.
- Grounds Maintenance:
Steve Hannah would like the hillside area along Airline Hwy to be cleaned of garbage and debris. Jeri Hernandez suggested adding some type of drought tolerant ground cover. Richard Tawney will have the area cleaned up by the next meeting.

VIII. ADJOURNMENT:

There being no further business, the meeting was adjourned at 4:25p.m.