



Hazel Hawkins
MEMORIAL HOSPITAL

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, JULY 27, 2023 – 5:00 P.M.
SUPPORT SERVICES BUILDING, 2ND-FLOOR, GREAT ROOM**

Mission Statement - The San Benito Health Care District is a public agency that serves as a responsive, comprehensive health care resource for its patients, physicians, and the health care consumers of the community.

Vision Statement - San Benito Health Care District is committed to meeting community health care needs with quality care in a safe and compassionate environment.

San Benito Health Care District is a public agency that serves as a responsive, comprehensive health care resource for its patients, physicians and the community.

AGENDA

Presented By:

1. Call to Order / Roll Call

(Hernandez)

2. Board Announcements

(Hernandez)

3. Public Comment

(Hernandez)

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. This is the appropriate place to comment on items on the Consent Agenda. Board Members may not deliberate or take action on an item not on the duly posted agenda. Written comments for the Board should be provided to the Board clerk for the official record. Whenever possible, written correspondence should be submitted to the Board in advance of the meeting to provide adequate time for its consideration. Speaker cards are available.

4. Consent Agenda – General Business (Pages 1 – 22)

(Hernandez)

The Consent Agenda deals with routine and non-controversial matters. The vote on the Consent Agenda shall apply to each item that has not been removed. A Board Member may pull an item from the Consent Agenda for discussion. One motion shall be made to adopt all non-removed items on the Consent Agenda.

A. Consider and Approve Amended Minutes of the Special Meeting of the Board of Directors – October 14, 2022

B. Consider and Approve Minutes of the Regular Meeting of the Board of Directors – June 22, 2023

- C. Consider and Approve Minutes of the Special Meeting of the Board of Directors – June 29, 2023
- D. Consider and Approve Chain of Command for Patient Safety Concerns Policy
- E. Receive Officer/Director Written Reports - No action required. **(Pages 13 – 22)**
 - Interim Chief Nursing Officer
 - Provider Services & Clinic Operations
 - Skilled Nursing Facilities Reports (Mabie Southside/Northside)
 - Laboratory
 - Foundation Report
 - Marketing/Public Relations ***

Recommended Action: Approval of Consent Agenda Item (A) through (E).

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

5. Medical Executive Committee (Pages 23 – 24)

(Dr. Bogey)

- A. Consider and Approve Medical Staff Credentials: July 19, 2023

Recommended Action: Approval of Credentials.

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

6. Receive Informational Reports

- A. Update on Status of Bankruptcy Proceedings (Case No. 23-50544)

(Koffroth/Sweet -
Fox Rothschild)

- Public Comment

- B. SBHCD Board of Directors Ad Hoc Committee–Potential Affiliation/Strategic Partnership

(Hernandez/Pack)

- Public Comment

- C. Interim Chief Executive Officer **(Pages 25 – 51)**

(Casillas)

- Public Comment

- D. Financial Report **(Pages 52 – 62)**

(Robinson)

- 1. Review Financial Updates

- Financial Statements – Preliminary June 2023
- Finance Dashboard – June 2023

➤ Public Comment

7. **Action Items**

- A. Consider Approval of Resolution No. 2023-30 of the Board of Directors of San Benito Health Care District Approving and Adopting a Memorandum of Understanding with the Engineers and Scientists of California, Local 20, IFPTE (AFL-CIO & CLC) **(Pages 63 – 71)** (Casillas)

Recommended Action: Approval of Resolution

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

- B. Consider Approval of Resolution No. 2023-31 of the Board of Directors of San Benito Health Care District Authorizing Execution of an Agreement with the County of San Benito for Temporary Transfer of Funds Under Article XVI, Section 6 of the State Constitution **(Pages 72 - 73)**

Recommended Action: Approval of Resolution

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

8. **Public Comment**

This opportunity is provided for members to comment on the closed session topics, not to exceed three (3) minutes.

(Hernandez)

9. **Closed Session**

(See Attached Closed Session Sheet Information)

(Hernandez)

10. **Reconvene Open Session / Closed Session Report**

(Hernandez)

11. **Adjournment**

(Hernandez)

The next Meeting of the Board of Directors is rescheduled to Thursday, August 24, 2023 at 5:00 p.m. in the Support Services Building – Great Room.

***** To be distributed at or before Board Meeting**

The complete Board packet including subsequently distributed materials and presentations is available at the Board Meeting, in the Administrative Offices of the District, and posted on the District's website at <https://www.hazelhawkins.com/news/categories/meeting-agendas/>. All items appearing on the agenda are subject to action by the Board. Staff and Committee recommendations are subject to change by the Board.

Any public record distributed to the Board less than 72 hours prior to this meeting in connection with any agenda item shall be made available for public inspection at the District office. Public records distributed during the meeting, if prepared by the District, will be available for public inspection at the meeting. If the public record is prepared by a third party and distributed at the meeting, it will be made available for public inspection following the meeting at the District office.

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.

**SAN BENITO HEALTH CARE DISTRICT BOARD OF DIRECTORS
JULY 27, 2023**

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)

[X] 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):

San Benito Health Care District dba Hazel Hawkins Memorial Hospital, Case No. 23-50544 (United States Bankruptcy Court for the Northern District of California, San Jose Division), 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): _____

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

[] LIABILITY CLAIMS

(Government Code §54956.95)

Claimant: (Specify name unless unspecified pursuant to Section 54961):

Agency claimed against: (Specify name): _____.

[] THREAT TO PUBLIC SERVICES OR FACILITIES

(Government Code §54957)

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

PUBLIC EMPLOYEE APPOINTMENT
(Government Code §54957)

Title:

PUBLIC EMPLOYMENT
(Government Code §54957)

Title:

PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Government Code §54957)

Title: (Specify position title of the 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: Mary Casillas and Mark Robinson

Employee organization: California Nurses Association, California Licensed Vocational Nurses Association, ESC, National Union of Healthcare Workers

Unrepresented employee: All positions.

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):

1. Trade Secrets, Strategic Planning, Proposed New Programs, and Services.

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):

[] **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

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
IN-PERSON AND BY VIDEO CONFERENCE**

**OCTOBER 14, 2022
CLOSED SESSION MINUTES**

Present:

Jeri Hernandez, President
Bill Johnson, Vice President
Rick Shelton, Treasurer
Don Winn, Secretary
Josie Sanchez, Assistant Secretary
Heidi A. Quinn, 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 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**

Attendance was taken by roll call with all Directors present. The meeting was called to order by Director Hernandez at 10:30 a.m.

2. **Public Comment**

No public comment.

3. **Closed Session**

The Board of Directors went into a closed session at 10:33 a.m. to discuss Public Employee Discipline/Dismissal/Release, Government Code §54957.6.

4. **Reconvene Open Session/Closed Session Report**

The Board of Directors reconvened to open session at 11:22 a.m. Board President, Jeri Hernandez, reported that in Closed Session the Board discussed Public Employee Discipline/Dismissal/Release.

MOTION: ~~By Director Hernandez. The Board of Directors made a motion~~ to terminate the contract with Mr. Hannah as Chief Executive Officer of Hazel Hawkins Memorial Hospital effective immediately; **Second by Sanchez.**

No public comment.

Moved/Seconded/and Carried: Ayes: Hernandez, Sanchez, Shelton, and Winn. Nay: Johnson
Approved, 4-1 by roll call.

5. **Adjournment**

There being no further business, the meeting was adjourned at 11:25 a.m.

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
SUPPORT SERVICES BUILDING, 2ND-FLOOR, GREAT ROOM**

THURSDAY, JUNE 22, 2023

5:00 P.M.

MINUTES

HAZEL HAWKINS MEMORIAL HOSPITAL

Directors Present

Jeri Hernandez, Board Member
Bill Johnson, Board Member
Devon Pack, Board Member
Josie Sanchez, Board Member
Rick Shelton, Board Member

Also Present

Mary Casillas, Interim Chief Executive Officer
Mark Robinson, Chief Financial Officer
Russell Dedini, MD., Vice Chief of Staff
Heidi A. Quinn, District Legal Counsel
Tiffany Rose, Executive Assistant

1. Call to Order

Directors Hernandez, Johnson, Sanchez, and Shelton were present; attendance was taken by roll call. A quorum was present and President Jeri Hernandez called the meeting to order at 5:00 p.m.

Director Hernandez announced Director Pack as present at 5:25 p.m.

2. Board Announcements

None.

3. Public Comment

An opportunity was provided for public comment and individuals were given three minutes to address the Board Members and Administration.

4. Consent Agenda - General Business

A. Minutes of the Regular and Special Meeting of the Board of Directors, May 22, 2023

B. Nutritional Care Policy

C. Revised Emergency Medicine Application for Clinical Privileges

D. Receive Officer/Director Written Reports – Written reports were included in the packet and no action required.

1. Provider Services & Clinic Operations

2. Skilled Nursing Facilities Reports (Mabie Southside/Northside)

3. Laboratory

4. Foundation Report

5. Marketing/Public Relations

Director Hernandez presented the consent agenda items before the Board for action. This information was included in the Board packet.

MOTION: By Director Sanchez to approve Consent Agenda – General Business, Items (A) through (D), as presented; Second by Director Pack.

Moved/Seconded/Unanimously Carried. Ayes: Directors Hernandez, Johnson, Pack, Sanchez, and Shelton. Approved 5-0 by roll call.

5. **Report from the Medical Executive Committee Meeting on June 7, 2023 and Recommendations for Board Approval of the following:**

A. **Medical Staff Credentials Report:** Dr. Dedini, Vice Chief of Staff, provided a review of the Credentials Report from June 7, 2023. The full written report can be found in the Board Packet.

Item: Proposed Approval of the Credentials Report; one (1) New Appointment, four (4) Reappointments, one (1) Additional Privileges, one (1) Allied Health Reappointment, and two (2) Retirements/Resignations.

No public comment.

MOTION: By Director Sanchez to approve the Credentials Report as presented; Second by Director Hernandez.

Moved/Seconded/and Unanimously Carried: Ayes: Directors Hernandez, Johnson, Pack, Sanchez, and Shelton. Approved 5-0 by roll call.

6. **Receive Informational Reports**

A. **Interim Chief Executive Officer (CEO)**

Ms. Casillas provided highlights of the Interim CEO Report, which can be found in the Board packet.

- General Surgery Clinic has received licensure by CDPH and will begin seeing patients in July.
- A new locum tenens general surgeon will start in July.
- A new locum tenens orthopedic surgeon started in June.
- Revenue cycle audit continues and opportunities have been identified. Changes will be implemented that should increase charges/collections in the ER. Work is also being done in the clinics and Diagnostic Imaging. The OR and Lab will be reviewed next.
- Foundation continues with the fundraising campaign and an official kick-off is anticipated in August.
- There is not a definite calculation at this time for funding from Assembly Bill 412 for distressed hospitals. Deadline for applications is July 31, 2023, at which time a determination will be made of who qualifies and the amount of funding. Hazel Hawkins has requested \$10M.
- Appreciation was expressed to the Board Members for attending Employee Town Hall meetings. Additional meetings will be scheduled to continue to provide employees updates and an opportunity to ask questions. Employees are also sent FAQ sheets to provide updates.
- The SBHCD Ad Hoc Committee continues to meet and talk to interested parties regarding a potential transaction. The Committee hopes to bring an item to the Board for discussion once

sufficient information has been received for the Board and Public to consider. Appreciation was expressed to the Board for attending meetings on short notice.

B. Report from Finance Committee

1. Finance Committee Minutes - Minutes of the meeting of the Finance Committee from June 15, 2023, were included in the Board packet.
2. Finance Report/Financial Statement Review - Mr. Robinson provided an overview of the financial report for June 15, 2023, as well as the Financial Statements and Finance Dashboard for May 2023, included in the Board packet.

Highlights include:

- A Resolution will be brought before the Board regarding Assembly Bill 412 requesting authorization to submit the application for the Distressed Hospital Loan Program.
- Average daily census has decreased as compared to previous year.
- Skilled nursing facilities are exceeding targets.
- The facility has saved \$5.47M year-to-date in salary and wages by managing FTEs. Efforts also continue with management of the registry.
- Expenses related to employee benefits and cost of healthcare remain consistent and have not decreased.

7. Action Items

A. Contracts

1. Consideration Recommendation for Approval of Sun Life Stop Loss Coverage Quote with a Contract Term of One (1) Year and Annual Fixed Premium of \$1,820,114.50

Director Shelton recused himself from the discussion noting a financial interest in Shelton Insurance Company. Shelton Insurance Company serves as the brokerage firm for the stop loss coverage and provides bids from various companies. Director Shelton left the room.

Director Pack requested the Board have the opportunity to review the entirety of the bids submitted for brokerage services for the stop loss insurance. Since the coverage term begins July 1, 2023, Mr. Robinson should request an extension and depending on the outcome, the Board will meet again at the regularly scheduled meeting or prior if necessary to finalize a decision.

An opportunity was provided for the public to comment and individuals given three minutes to address the Board Members and Administration.

MOTION: By Director Pack to table this item, with direction to staff to request an extension of coverage, provide a full range of bids for review, and investigate other insurance brokers; Second by Director Sanchez.

Moved/Seconded/and Unanimously Carried: Ayes: Directors Hernandez, Johnson, Pack, and Sanchez. Approved 4-0 by roll call vote; Director Shelton was recused. After the item concluded, Director Shelton returned to the meeting.

2. Consider Recommendation for Approval of Cepheid Reagent Molecular Analyzer Rental Agreement with a Contract Term of 36 Months and a Minimum Annual Purchase Commitment of \$187,476

No public comment

MOTION: By Director Pack to approve the Cepheid Reagent Molecular Analyzer Rental Agreement with a Contract Term of 36 Months and a Minimum Annual Purchase Commitment of \$187,476; Second by Director Sanchez.

Moved/Seconded/and Unanimously Carried: Ayes: Directors Hernandez, Johnson, Pack, Sanchez, and Shelton. Approved 5-0 by roll call vote.

B. Physician Agreements:

1. Consider Recommendation for Approval of Coastal Women’s Care, Inc. Professional Services Agreement and Margaret V. Cooper Vaughn, M.D. Physician Recruitment Agreement for a Contract Term of 2 years and an Estimated Annual Cost of \$329,000.

No public comment.

MOTION: By Director Hernandez to approve Coastal Women’s Care, Inc. Professional Services Agreement and Margaret V. Cooper Vaughn, M.D. Physician Recruitment Agreement for a Contract Term of 2 years and an Estimated Annual Cost of \$329,000; Second by Director Sanchez.

Moved/Seconded/and Unanimously Carried: Ayes: Directors Hernandez, Johnson, Pack, Sanchez, and Shelton. Approved 5-0 by roll call vote.

2. Consider Recommendation for Approval of Jiwu Sun, M.D. Medical Director of Employee Health Services Agreement for a Contract Term of 1 year and an Estimated Annual Cost of \$14,400.

No public comment.

MOTION: By Director Sanchez to approve Jiwu Sun, M.D. Medical Director of Employee Health Services Agreement for a Contract Term of one year and an Estimated Annual Cost of \$14,400; Second by Director Pack.

Moved/Seconded/and Unanimously Carried: Ayes: Directors Hernandez, Johnson, Pack, Sanchez, and Shelton. Approved 5-0 by roll call vote.

8. Public Comment

An opportunity was provided for public comment and individuals were given three minutes to address the Board Members and Administration.

9. **Closed Session**

President Hernandez announced the items to be discussed in Closed Session as listed on the posted Agenda are (1) Conference with Legal Counsel-Existing Litigation, Government Code §54956.9(d)(1); (2) Conference with Labor Negotiator, Government Code §54957.6; (3) Report Involving Trade Secret, Government Code §37606 & Health and Safety Code §32106; and (4) Hearings/Reports (Government Code §37624.3 & Health and Safety Code §§1461, 32155)

The meeting was recessed into Closed Session at 6:36 p.m.

10. **Reconvene Open Session/Closed Session Report**

The Board of Directors reconvened Open Session at 7:40 p.m. District Counsel Quinn reported that in Closed Session the Board discussed: (1) Conference with Legal Counsel-Existing Litigation, Government Code §54956.9(d)(1); (2) Conference with Labor Negotiator, Government Code §54957.6; (3) Report Involving Trade Secret, Government Code §37606 & Health and Safety Code §32106; and (4) Hearings/Reports (Government Code §37624.3 & Health and Safety Code §§1461, 32155)

No reportable action was taken by the Board in the Closed Session.

11. **Adjournment:**

There being no further regular business or actions, the meeting was adjourned at 7:40 p.m.

The next Regular Meeting of the Board of Directors is scheduled for Thursday, July 27, 2023 at 5:00 p.m., and will be conducted in person.



Hazel Hawkins
MEMORIAL HOSPITAL

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
SUPPORT SERVICES BUILDING, 2ND-FLOOR, GREAT ROOM
THURSDAY, JUNE 29, 2023
10:00 A.M.
MINUTES**

Directors Present

Jeri Hernandez, Board Member
Bill Johnson, Board Member
Devon Pack, Board Member
Josie Sanchez, Board Member
Rick Shelton, Board Member

Also, Present

Mary Casillas, Interim Chief Executive Officer
Mark Robinson, Chief Financial Officer
Heidi Quinn, District Legal Counsel
Tiffany Rose, Executive Assistant

1. **Call to Order – Roll Call**

Directors Hernandez, Johnson, Pack, Sanchez, and Shelton were present; attendance was taken by roll call. A quorum was present and the Special Meeting was called to order at 10:00 a.m. by Director Hernandez.

2. **Recommendation for Board Action**

A. **Consider Recommendation for Approval of Sun Life Stop Loss Coverage Quote with a Contract Term of One (1) Year and Annual Fixed Premium of \$1,820,114.50**

Director Shelton noted under the Political Reform Act he has a financial interest in Shelton Insurance Company, Richard W. Shelton Insurance Marketing, Inc., as a business entity due to his investment and position, and that it is also a source of income. Due to his financial interest, he noted he will not be participating in today's agenda item and will be leaving the room.

Director Shelton also noted for the record he does not receive any remuneration as a result of Shelton Insurance Company's brokerage services to the District and will not receive any remuneration if the District approves the agreement with this insurance carrier. He noted he is not involved in the Company's provision of services to the District. Director Shelton recused himself and left the room.

Mr. Robinson reported seven insurance carriers were contacted by the District's broker to provide quotes for stop loss insurance. Four of the carriers declined to provide quotes. Three carriers

provided bids, which were included in the packet, including Companion, Sun Life, and Swiss Re Corporate Solutions. Following review of the bids, it was determined to proceed with Sun Life, which has provided stop loss insurance for the District for several years and is the most cost efficient option. It was noted, the District does not pay Shelton Insurance Company for providing brokerage services.

Director Pack recommended in the future it would be prudent for Administration to consult with several brokers to obtain competitive quotes for stop loss insurance and for contracts in general.

Legal counsel noted the proposed contract with Sun Life for stop loss coverage is not an agreement with Shelton Insurance Company. Shelton Insurance Company is an insurance brokerage firm that provides insurance coverage options to the District for consideration. However, the District does not have an agreement with Shelton Insurance Company and does not pay for their services. In cases where a conflict of interest may exist, the public official with the conflict of interest cannot participate with the making or influencing of the decision.

In this matter, Director Shelton has disclosed a financial interest by virtue of position and investment in the entity and recused himself from any part of the decision-making process. It is legal counsel's understanding that Director Shelton has no involvement in any of the brokerage services provided to the District. Further, as disclosed on the record, Director Shelton is not receiving any compensation as a result of the District entering into an agreement with Sun Life and that Director Shelton does not receive any remuneration, commission, or consideration.

The Political Reform Act governs conflicts of interest. As long as the Director discloses on the record the conflict of interest and recuses himself, the Board can make a decision regarding the contract. Director Shelton, based on his communication to the Board, has complied with the Political Reform Act.

An opportunity was provided for the public to comment and individuals given three minutes to address the Board Members and Administration.

MOTION: By Director Johnson to Approve Sun Life Stop Loss Coverage Quote with a Contract Term of One (1) Year and Annual Fixed Premium of \$1,820,114.50; Second by Director Sanchez.

Moved/Seconded/and Unanimously Carried: Ayes: Directors Hernandez, Johnson, Pack, and Sanchez. Approved 4-0 by roll call; 1 recused (Shelton). After the conclusion of the item, Director Shelton returned to the room.

Director Hernandez noted she needed to leave the meeting early due to travel and that Director Johnson would preside over the meeting.

3. Consider Resolution No. 2023-29 Authorizing Execution and Delivery of a Promissory Note, Loan and Security Agreement, and Certain Actions in Connection with A Loan Under the Distressed Hospital Loan Program

No public comment.

MOTION: By Director Shelton to Approve Resolution No. 2023-29 Authorizing Execution and Delivery of a Promissory Note, Loan and Security Agreement, and Certain Actions in Connection with A Loan Under the Distressed Hospital Loan Program; Second by Director Pack.

Moved/Seconded/and Unanimously Carried: Ayes: Directors Johnson, Pack, Sanchez, and Shelton. Approved 4-0 by roll call; 1 absence (Hernandez).

4. **Adjournment:**

There being no further special business or actions, the meeting was adjourned at 10:40 a.m.

The next Regular Meeting of the Board of Directors is scheduled for Thursday, July 27, 2023 at 5:00 p.m. in the Support Services Building, Great Room.

DRAFT

Chain of Command for Patient Safety Concerns

Disclaimer

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Revision Insight

Document ID:	11900
Revision Number:	0
Owner:	Monica Hamilton, Clinical Quality Services Director
Revision Official Date:	No revision official date

Revision Note:
No revision note

Policy : Chain of Command for Patient Safety Concerns

PURPOSE

The Chain of Command policy enhances our culture of safety by providing guidance and direction to help staff achieve resolution for any potential or actual patient care or safety concern. Following authoritative structure facilitates proactive communication, teamwork, problem solving and collaboration between decision makers and frontline staff.

SCOPE

This policy applies to all personnel.

POLICY

San Benito Health Care District is committed to providing a safe environment for the delivery of patient care and services.

Any staff member may initiate chain of command communication for patient safety concerns.

Education on chain of command policy will be included in each employee's new hire orientation.

PROCEDURE

1. Employees should discuss any patient safety concern by promptly contacting their immediate supervisor. It is preferable to resolve concerns at the lowest possible level.
2. If the immediate supervisor is not available or the problem remains unresolved, then staff should follow the chain of command by contacting the department manager, director, house coordinator, senior leader, or administrator on call as necessary to resolve the safety concern.
3. With patient care concerns, the attending physician should be contacted as well as physician leaders (e.g., Chair of Surgery or Medicine, Chief of Staff) when necessary.
4. Staff should not skip levels in the lines of authority unless the patient condition may be life-threatening.
5. Document communications and actions taken to resolve the concerns in the medical record when appropriate.

Document ID	11900	Document Status	In preparation
Department	Administration - Multidisciplinary	Department Director	Fernandez, Jacqueline
Document Owner	Hamilton, Monica	Next Review Date	
Reviewed	[12/01/2012], [05/01/2015], [08/01/2018]		
Attachments:			
(REFERENCED BY THIS DOCUMENT)			
Other Documents:			
(WHICH REFERENCE THIS DOCUMENT)			

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[https://www.lucidoc.com/cgi/doc-gw.pl?ref=hmh:11900\\$0](https://www.lucidoc.com/cgi/doc-gw.pl?ref=hmh:11900$0).



San Benito Health Care District
Board of Directors Meeting
June 22, 2023
Interim Chief Nursing Officer

➤ **Emergency Department:**

- Visits June 2110 Admitted 114
- Stroke 9
- Left Without being seen 10

➤ **Med / Surg** June: ADC 10.3

➤ **ICU** June ADC 0.33

➤ **OB** June: Deliveries 26 Outpatients Visits 54

➤ **OR** June Cases: inpatient 39 Outpatient 127 GI 89 Total: 166



To: San Benito Health Care District Board of Directors
From: Amy Breen-Lema, Director, Provider Services & Clinic Operations
Date: July 14, 2023
Re: All Clinics – June 2023

2023 Rural Health and Specialty clinics' visit volumes

Total visits in all outpatient clinics = 4,570

Orthopedic Specialty	351
Multi-Specialty	728
Sunset Clinic	711
Annex Surgeons (General Sx)	122
San Juan Bautista	257
1st Street	610
4th Street	1345
Barragan	446

- This month we welcomed locum tenens Michael Grecula, MD to our orthopedic practice. Dr. Grecula brings 20 plus years of orthopedic experience specializing in joint replacement and orthopedic traumas.
- Locum tenens general surgeon Michael Gynn, MD returned to the hospital for 11 days of emergency call coverage and will continue to fill gaps as needed.



Hazel Hawkins
MEMORIAL HOSPITAL
Mabie Southside / Mabie Northside SNFs
Board Report – July 2023

To: San Benito Health Care District Board of Directors
From: Sherry Hua, RN, MSN, Director Of Nursing, Skilled Nursing Facility

Management Activities:

1. Continue Supporting the District Financially

1. Census Statistics: June 2023

Southside	2023	Northside	2023
Total Number of Admissions	11	Total Number of Admissions	8
Number of Transfers from HHH	9	Number of Transfers from HHH	6
Number of Transfers to HHH	8	Number of Transfers to HHH	6
Number of Deaths	3	Number of Deaths	1
Number of Discharges	12	Number of Discharges	12
Total Discharges	15	Total Discharges	13
Total Census Days	1,446	Total Census Days	1,368

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.

2. Total Admissions: June 2023

Southside	From	Payor	Northside	From	Payor
5	HHMH	Medicare	4	HHMH	Medicare
3	Re-Admit HHMH	Medi-Cal	1	San Jose Regional	Medicare
1	Natividad	Medicare	2	HHMH	Medi-Cal
1	SVM	Medi-Cal	1	Mercy SNF (Illinois)	CareMore
1	Re-Admit HHMH	Medicare			
11 Total			8 Total		

3. Total Discharges by Payor: June 2023

Southside	2023	Northside	2023
Medicare	6	Medicare	7
Medicare MC	1	Medicare MC	1
Medical	7	Medical	4
Medi-Cal MC	0	Medi-Cal MC	0
Private (self-pay)	0	Private (self-pay)	0
Commercial	1	Commercial	0
Total	15	Total	12

4. Total Patient Days by Payor: June 2023

Southside	2023	Northside	2023
Medicare	143	Medicare	109
Medicare MC	8	Medicare MC	4
Medical	1220	Medical	1,189
Medi-Cal MC	0	Medi-Cal MC	0
Private (self-pay)	60	Private (self-pay)	60
Insurance	15	Commercial	0
Bed Hold / LOA	14	Bed Hold / LOA	6
Total	1460	Total	1,368
Average Daily Census	48.67	Average Daily Census	45.60



Hazel Hawkins MEMORIAL HOSPITAL

To: San Benito Health Care District Board of Directors
From: Bernadette Enderez, Director of Diagnostic Services
Date: July 2023
Re: Laboratory and Diagnostic Imaging



Updates:

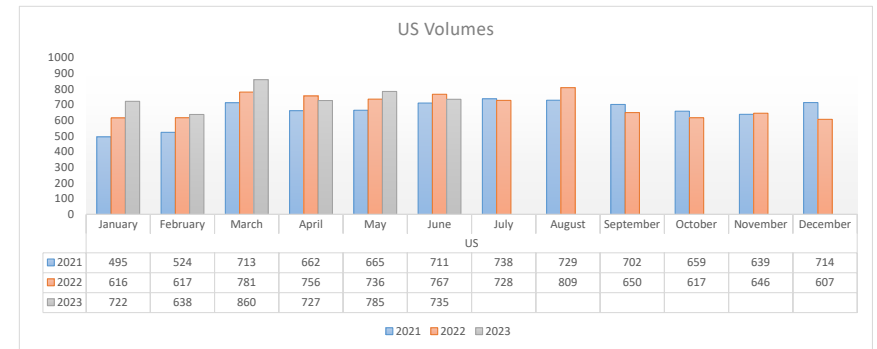
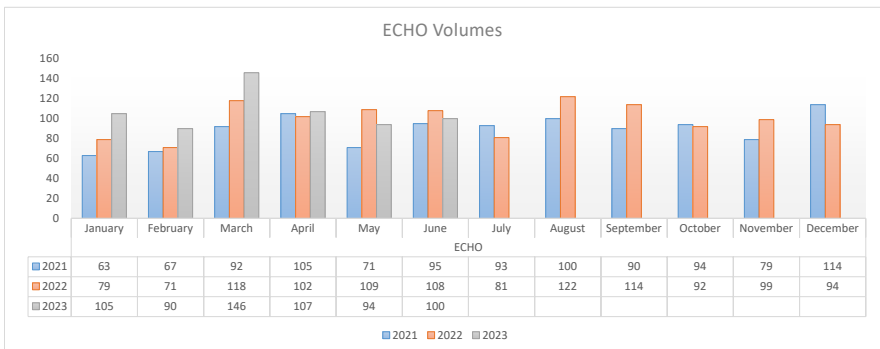
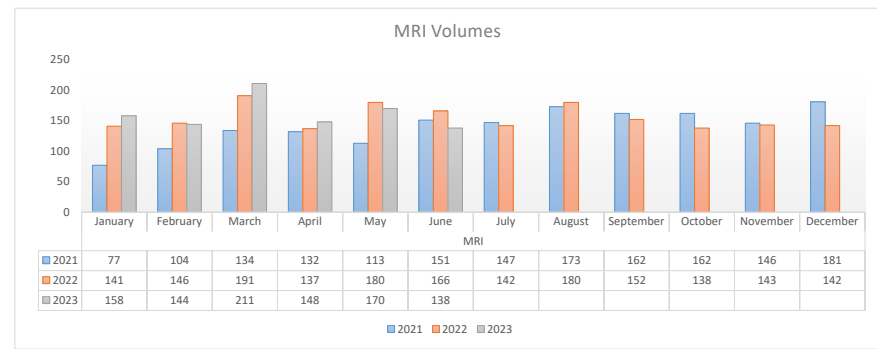
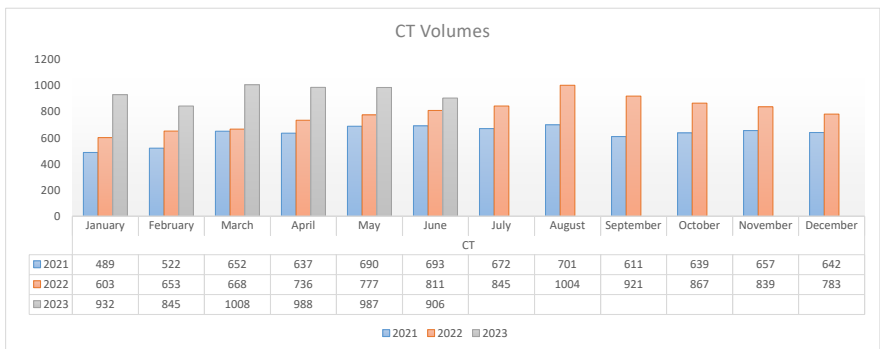
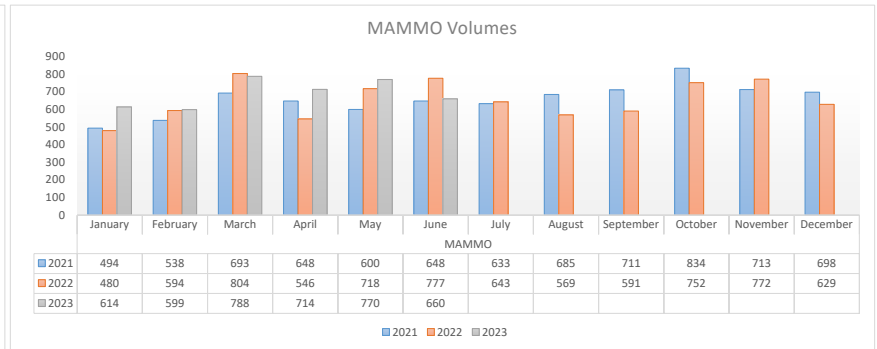
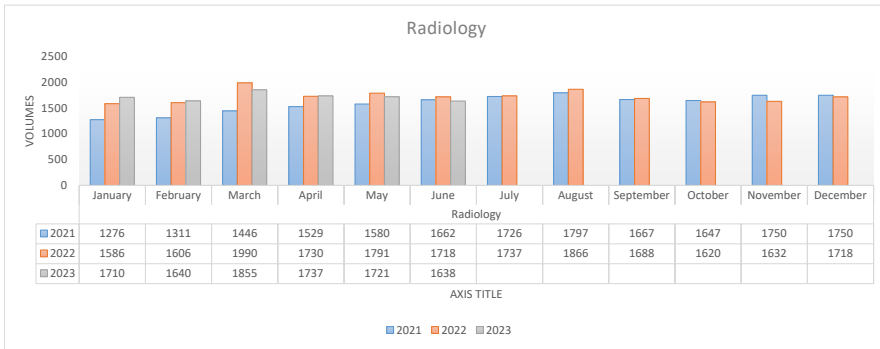
Laboratory

1. Service/Outreach
 - The following clinics started electronic laboratory test ordering:

Barragan clinic	Sunset clinic	SJB clinic
First Street	MSC	Ortho
2. Successful Completion of the biennial TJC laboratory survey
 - July 11-13, 2022
 - 906/910 (99.56%) TJC laboratory standards
3. Quality Assurance/Performance Improvement Activities
 - Collaboration with Nursing on Transfusion reaction process improvement
 - Collaboration with Clinics on Point of care process improvement
4. Laboratory Statistics
 - See attached report

Diagnostic Imaging

1. Service/Outreach
 - Due to staffing shortage, the Diagnostic Center next to Ortho clinic is still closed for June
2. Quality Assurance/Performance Improvement Activities
 - Successful completion of MQSA Facility inspection with zero items of noncompliance conducted on 7/13/23 by CDPH Radiologic Health Branch
3. Diagnostic Imaging Statistics
 - See attached report



LABORATORY STATISTICS

MAIN LABORATORY													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2021	891	739	1020	939	955	1058	1080	1272	1563	1504	1491	1584	14096
2022	2035	1336	1506	1323	1277	1165	1112	1252	1092	1257	1186	1209	15750
2023	1187	1236	1394	1125	1173	1112							7227

HHH EMPLOYEE HEALTH WEEKLY COVID TEST (INCLUDING SNF_NEW SNF LOCATION ONLY)													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2021	1888	1566	1443	1110	1031	1122	1045	1656	2143	1695	1842	2458	18999
2022	2987	2136	1915	1767	2219	2546	2244	2355	2066	1046	1144	1596	24021
2023	595	114	609	880	28	15							2241

MC CRAY LAB													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2021	1263	1274	1394	1125	1119	1193	1165	1248	1192	1187	1100	1099	14359
2022	1230	1044	1206	1069	1033	1025	1061	1130	866	975	810	752	12201
2023	1038	931	1167	975	1054	930							6095

SUNNYSLOPE LAB													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2021	699	601	624	590	479	636	553	613	580	574	462	487	6898
2022	536	511	632	521	467	488	495	558	423	402	368	186	5587
2023	511	486	551	418	516	458							2940

SJB AND 4TH STREET													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2021						41	64	55	29	45	27	37	353
2022	63	54	82	72	63	58	23	61	82	82	63	53	756
2023	74	44	83	67	63	81							412

ER AND ASC													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2021	1628	1162	1126	1077	1083	1089	1174	1415	1272	1139	1059	1279	14503
2022	1434	839	1040	993	1328	1335	1111	1198	1231	1237	1614	1604	14964
2023	1268	1298	1453	1448	1482	1234							8183

TOTAL OUTPATIENT													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2021	6369	5342	5607	4841	4708	5162	5072	6233	6795	6126	5991	6962	69208
2022	8285	5920	6381	5745	6387	6617	6046	6554	5760	4999	5185	5400	73279
2023	4673	4109	5257	4913	4316	3830							27098

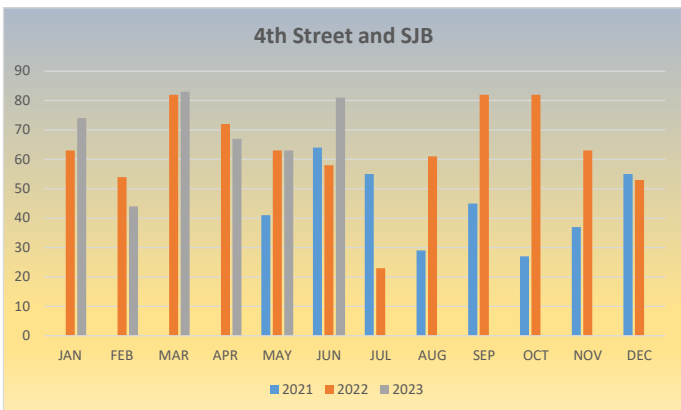
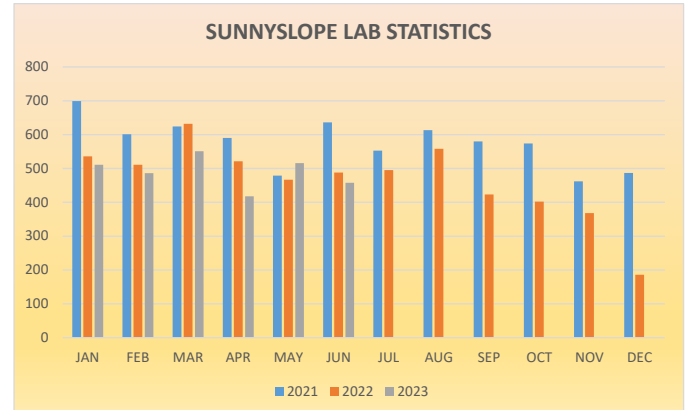
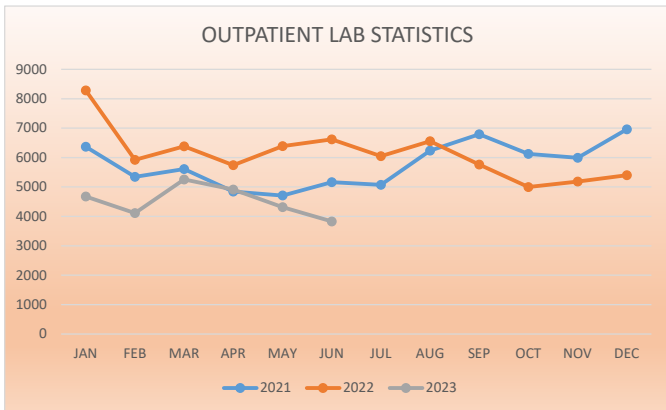
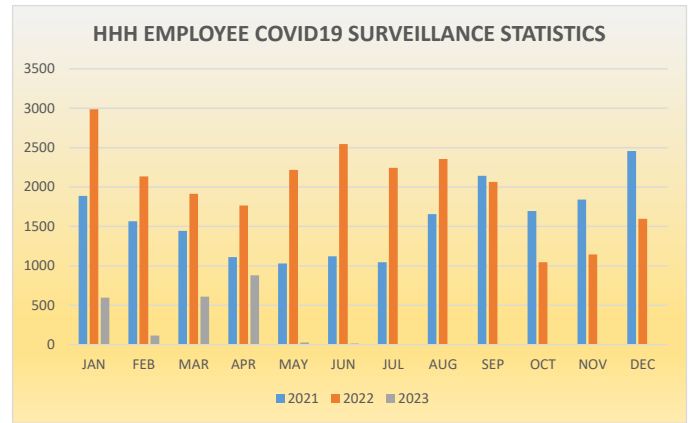
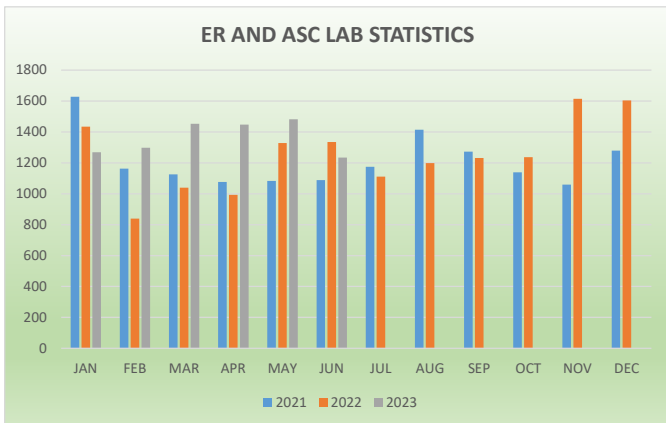
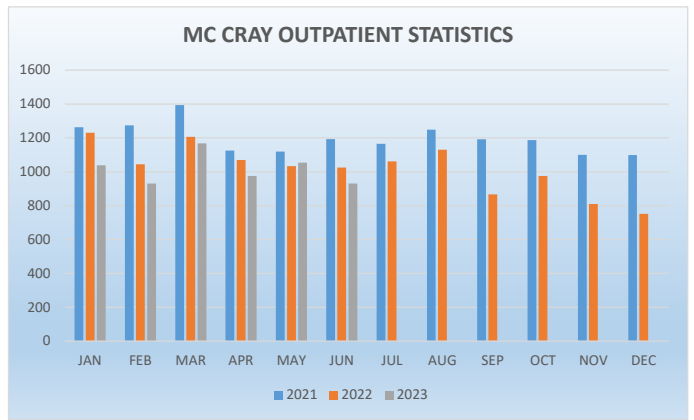
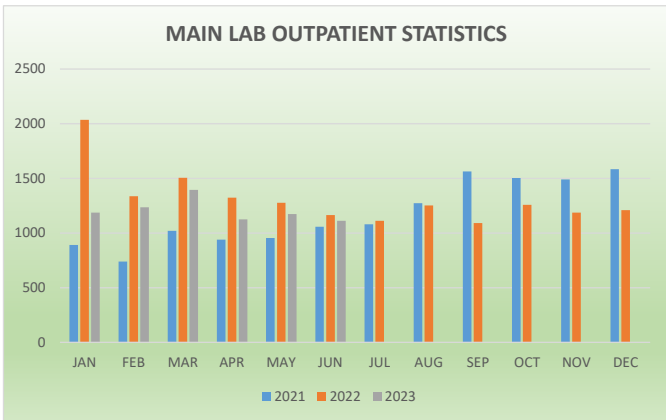
TOTAL INPATIENT (ICU,MEDSURG,OB,SNF)													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2021	1116	1053	603	654	705	751	761	803	791	986	874	1301	10398
2022	1311	1102	945	678	963	1258	1321	1421	1145	973	1066	1205	13388
2023	816	603	950	710	591	347							4017



LABORATORY DEPARTMENT
REQUISITION STATISTICS

Bernadette Enderez
Director of Laboratory Services

Michael McGinnis, M.D.
Medical Director





LABORATORY DEPARTMENT

OUTPATIENT STATISTICS

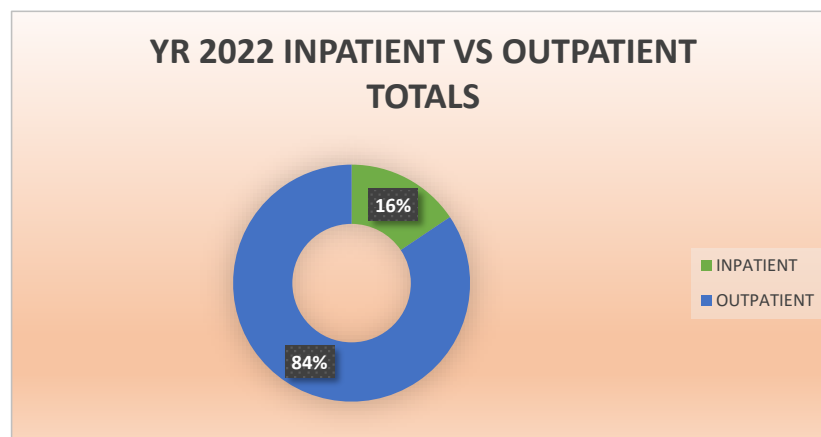
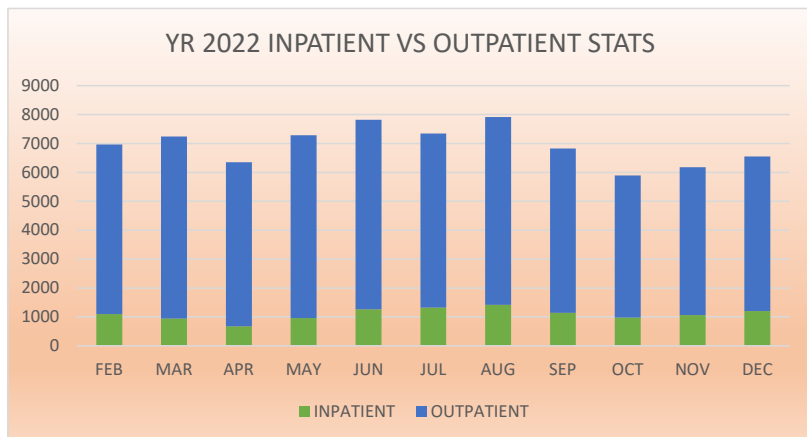
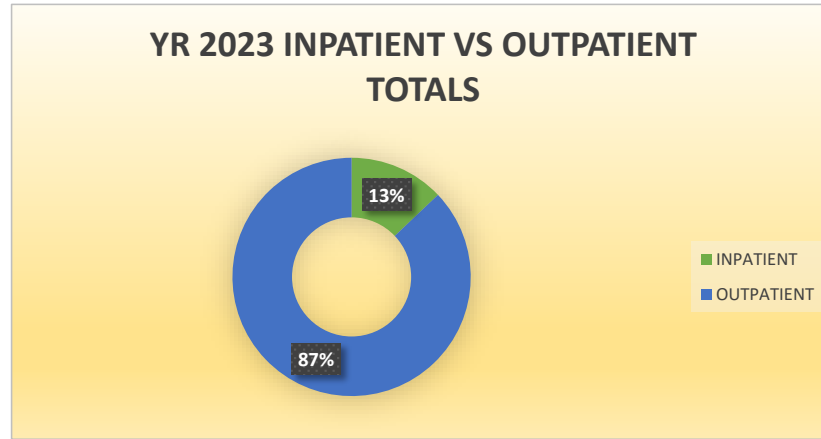
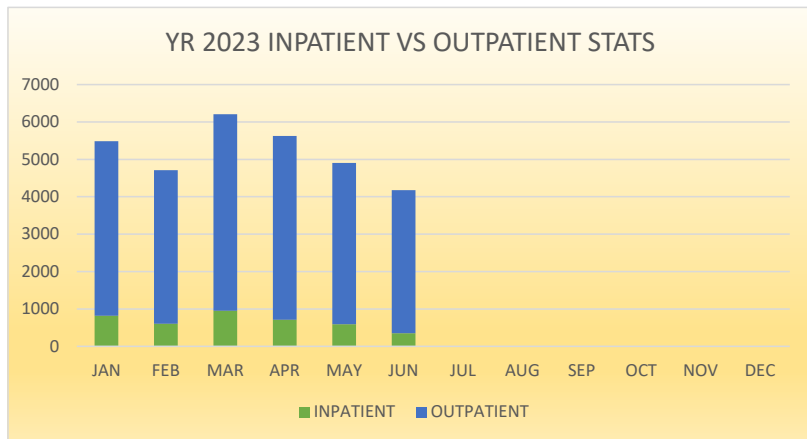
Bernadette Enderez
Director of Laboratory Services

Michael McGinnis, M.D.
Medical Director

INPATIENT VS OUTPATIENT LABORATORY STATISTICS

YR 2023														
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
INPATIENT	816	603	950	710	591	347							4017	INPATIENT
OUTPATIENT	4673	4109	5257	4913	4316	3830							27098	OUTPATIENT

YR 2022														
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
INPATIENT	1311	1102	945	678	963	1258	1321	1421	1145	973	1066	1205	13388	INPATIENT
OUTPATIENT	8222	5866	6299	5673	6324	6559	6023	6493	5678	4917	5112	5347	72513	OUTPATIENT





TO: San Benito Health Care District Board of Directors
FROM: Liz Sparling, Foundation Director
DATE: July 2023
RE: Foundation Report

The Hazel Hawkins Hospital Foundation Board of Trustees does not meet in July but will resume monthly Board meetings on August 10.

Financial Report for June

1. Income	\$	266,004.92
2. Expenses	\$	145,597.42
3. New Donors		3
4. Total Donations		169

Allocations

1. No Allocations

Directors Report

- The new sterilizer for the OR that the Foundation funded for over \$133K arrived. I applied for a grant from the California Hospital Association and we received \$2093 to fund the additional costs for the de-installation for the old sterilizer and prep for the new one to be installed.
- The majority of our work has been working on our Fundraising Campaign- "Invest in the future of San Benito County Healthcare, We deserve it!" Irene Davis is the Chair of this Fundraising Committee. The Committee meets often and has been very busy planning a donor event.
- We have established with our Foundation a \$2M gift table and built preliminary portfolio of 25-30 prospects and performed initial research on top tier prospect levels (500K, 250K)
- Cultivation of donors is underway and donor meetings have taken place and we have received significant gifts.
- With the end of the Fiscal year, we have started to work on our Foundation Audit.
- We are preparing our final grant report for the Hospice Giving Foundation.
- The date for this year's fundraiser is November 4th. Please mark your calendars.



San Benito Health Care District

**MEDICAL EXECUTIVE COMMITTEE
CREDENTIALS REPORT
JULY 19, 2023**

NEW APPOINTMENTS

PRACTITIONER	DEPT/SERVICE	STATUS REQUEST	PROCTOR ASSIGNED
Abrol, Tapan MD	Medicine/Teleneurology	Privs without membership	
Kopec, Marcin MD	Radiology/Teleradiology (statrad)	Privs without membership	
Lee, Nathanael MD	Medicine/Teleneurology	Privs without membership	
Hur, Jane MD	Radiology/Teleradiology (statrad)	Privs without membership	
Mehta, Amol MD	Medicine/Teleneurology	Privs without membership	
Misulis, Edward MD	Medicine/Teleneurology	Privs without membership	
Zarkou, Srijana MD	Medicine/Teleneurology	Privs without membership	

REAPPOINTMENTS

PRACTITIONER	DEPT/SERVICE	STATUS	TERM
Carota, Ben MD	Medicine/Clinic Family Medicine	Active	2 yrs
Gabriel, Nick MD	Surgery/General Surgery	Active	2 yrs
Koteles, Michael MD	Medicine/Endocrinology	Active	2 yr
Paudel, Sayuj MD	Medicine/IM Hospitalist	Active	2 yr
Peng, Bob MD	Perinatal/Ob-Gyn	Courtesy	2 yr
Tolentino, Arminda MD	Medicine/Family Practice-Clinic	Active	2 yr

ADDITIONAL PRIVILEGES

PRACTITIONER	FIELD	SERVICE

ALLIED HEALTH – NEW APPOINTMENT

PRACTITIONER	DEPT/SERVICE	STATUS
Villegas, Mark PA-C	Clinic/Family Medicine	Current

ALLIED HEALTH – REAPPOINTMENTS

PRACTITIONER	DEPT/SERVICE	STATUS	TERM
Langford, Roger PA-C	Clinic/Family Medicine	Current	2 yr
Markowski, Abigail PA-C	Emergency/Emerg Med	Current	2 yr



MEMORIAL HOSPITAL
SKILLED NURSING FACILITIES
HOME HEALTH AGENCY

San Benito Health Care District

RESIGNATIONS/RETIREMENTS

PRACTITIONER	DEPT/SERVICE	CURRENT STATUS	COMMENT
Rocco, Robert MD	Medicine/Clinic FP	Active	Retired
Khachatryan, Tigran MD	Medicine/Teleneuro	Privileges Only	Resigned from TeleSpecialists
Chalfin, Renata MD	Medicine/Teleneuro	Privileges Only	Resigned from TeleSpecialists

Rev: 2/16/2022

Interim CEO Report July 2023

Financial Emergency Update

- Revenue Cycle – We continue to work with Innova on our revenue cycle audit. The team is gathering data for results and will be presenting to the Board in August.
- Preliminary submittal for AB112 was completed at the end of June. HCAI gave us the go ahead for a final submittal for end of July.
- Court-Appointed Ombudsman visited July 18 – 19. He will report to the court within 60 days.

Laboratory

- Laboratory services had a very successful Joint Commission survey the week of July 10th. With over 900 check points the Lab received 4 minor citations. A huge congratulations to Bernadette Enderez and her team for their incredible work.

Radiology

- The Radiology Department welcomed their MQSA auditor on July 13. The team passed the inspection with flying colors. This is an annual audit by the State to ensure our Mammography Department meets State and Federal regulations. Congratulations to the team for a successful survey.

CEO Activities

- Attended HealthCare Ad Hoc Committee meeting July 17.
- Attended site visits with CFO for potential partners.
- Continued weekly meetings with physicians to keep them up to date on the status of the hospital.

HR

- HR reported that our turnover rate for the first six months of this calendar year is at **7%**. This is well below the national average of over 22%. Please see attached articles
- ESC union voted unanimously to accept a new contract proposal.
- We continue to meet with NUHW and CNA unions to discuss changes to their contracts.

Acute Care Services

- We began admitting to the ICU again July 17th.

[Resource Center](#) > [Blog](#) > [Healthcare Turnover Rates \[2023 Update\]](#)

Healthcare Turnover Rates [2023 Update]

by **DailyPay** | June 20, 2023



In an earlier article, we discussed [employee retention rate by industry](#) and looked at which industries have the best and worst employee retention rates. In this article, we take a closer look at the healthcare industry. To learn about how employers can address turnover in healthcare, visit our [healthcare industry page](#).

Hi there 🙋 How can we help?

In the last five years, the average hospital turned over 100.5% of its workforce.¹

The global workforce has been reshaped over the past few years, including the healthcare industry. According to the [2023 NSI National Healthcare Retention & RN Staffing Report](#), the hospital turnover rate stands at 22.7%, a 3.2% decrease from 2021, and Registered Nurse turnover is recorded at 22.5%, a 4.6% decrease.²

Although employee exits decreased in the latter half of 2022, labor shortages, employee burnout and retirement has kept hospital turnover rates elevated. In the last five years, hospitals have turned over 105% of their staff.³ Further data shows that voluntary terminations accounted for 94.7% of all hospital separations.⁴ For 2023, hospitals aim to decrease turnover by 3.8%.⁵

According to the NSI Report, all Registered Nurse specialties – except Labor & Delivery RNs – experienced an increase in time-to-fill. Not only is the healthcare industry experiencing high turnover rates, recruiting is getting tougher. Medical/surgical Registered Nurses were the most difficult to hire, adding 22 days of recruitment time. In 2023 it takes 91 to 120 days to fill an experienced medical/surgical RN, with the average being 105 days.⁶

The average cost of turnover for a bedside Registered Nurse is more than \$52,350, costing the average hospital between \$6.6 million and \$10.5 million per year. With each percentage point increase or decrease in the Registered Nurse turnover rate, hospitals will lose or save \$380,600 per year.⁷

The Registered Nurse vacancy rate within hospitals currently stands at 17%, which is up 7.1 points since last year,¹ but the healthcare industry is still growing. The U.S. Bureau of Labor Statistics estimates the employment of Registered Nurses and healthcare practitioners in the diagnosis and treatment fields will [grow about as fast as the average for all other occupations](#) between 2020 and 2030.⁸

As labor gaps grow, it's important to identify the areas within the healthcare industry that are particularly susceptible to turnover and learn what can be done to slow rates.

Retention Patterns in Healthcare

[The 2023 NSI Report](#), revealed several patterns of turnover.

2023 Turnover by Position

- Staff Registered Nurses: 22.5%
- Certified Nursing Assistant (CNA): 33.7%
- Physician Assistant (PA): 13.5%
- Physical Therapist: 12.6%
- Medical Technologist: 17.8%
- Pharmacist: 10.6%
- Radiologic Technologist: 10.2%
- Patient Care Tech (PCT): 32.3%

By Demographic

There are a variety of factors that come into play when trying to discern turnover reasons. Location and position are factors, but additionally, age may play a role in turnover rates, especially for primary care physicians in rural areas.

By Tenure

- 39.8% of all new hires left within a year, accounting for 31.4% of all healthcare turnover.⁹
- 58.7% of employees who left spent less than two years in their position.¹⁰

By Facility

- The current turnover rate for hospitals is 22.7%, down 3.2% from the previous year.¹¹
- South Central U.S. (AR, CO, LA, NM, OK, TX) sits at 22.4%.¹²
- North Central U.S. (IA, ND, NE, OH, SD, WI, WY, IL, IN, KS, MI, MN, MO & MT) has the lowest regional turnover at 20.7%.¹³
- Hospitals with less than 200 beds have the lowest turnover rates (21.7%).¹⁴
- Hospitals with 200–349 beds have the highest turnover rates (23.8%).¹⁵

REGION	HOSPITAL TURNOVER	FULL/PART TIME TURNOVER
North East – (CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI & VT)	22.2% (-3.5%)	18.9% (-2.9%)
North Central – (IA, IL, IN, KS, MI, MN, MO, MT, ND, NE, OH, SD, WI & WY)	20.7% (-7.9%)	18.4% (-6.3%)
South East – (AL, FL, GA, KY, MS, NC, SC, TN, VA & WV)	23.5% (-4.4%)	20.8% (-3.2%)
South Central – (AR, CO, LA, NM, OK, & TX)	22.4% (-0.5%)	20.3% (+0.9%)
West – (AK, AZ, CA, HI, ID, NV, OR, UT & WA)	23.8% (+0.7%)	20.0% (+1.7%)
BED SIZE		
<200 Beds	21.7% (-2.7%)	18.2% (-2.1%)
200-349 Beds	23.8% (-3.4%)	20.4% (-2.0%)
350-500 Beds	22.9% (-2.1%)	20.2% (-0.4%)
>500 Beds	22.7% (-3.5%)	20.1% (-2.5%)
NATIONAL AVERAGE	22.7% (-3.2%)	19.9% (-2.1%)

(Source: 2023 NSI National Healthcare Retention & RN Staffing Report)

Hardest Positions To Fill

dailypay.



recruit.

According to the 2023 RN Staffing Report, here's how long it takes to hire different Registered Nurse specialties.

1. Medical/surgical RN – 105 days
2. Critical Care RN – 99 days
3. Operating Room RN – 98 days
4. Progressive Care Unit RN – 96 days
5. Telemetry RN – 95 days
6. Emergency Room RN – 92 days
7. Labor and Delivery – 75 days

The longer a job goes unfilled, the more it impacts a hospital's bottom line, and clinical personnel aren't the only difficult-to-fill positions. A [study reported](#) by First Coast Billing revealed what non-clinical roles are most difficult to fill.

- Business operations support staff turnover: 9.92%
- Clinical support staff turnover: 15.83%

- Front office support staff turnover: 20%

As you can see, the high turnover for primary care single specialties is most prevalent with front-office staff. For many physicians' offices, this can be detrimental to quality care and customer service, as the front-office staff is often recognized as the face of the business.

The Cost of Turnover and Staffing Gaps

There are many factors that go into the true cost of turnover. For example, when a healthcare professional leaves, the hospital must account for:

- Staffing costs (e.g., overtime payouts, agency nurses, travel nurses)
- Continuity of care
- Training costs
- Staff workloads
- Accident rates
- Absenteeism
- Medical staff dissatisfaction

Not to mention, programs like those dedicated to mentorship and professional development worsen as the staff tenure decreases.

Industry experts estimate the average cost of turnover across all occupations in the healthcare industry can range up to [150% of a mid-level employee's salary](#)¹⁶. For example, the average cost of turnover for a bedside RN is estimated at [\\$52,350. Given the 13.5% increase in cost from the previous year, the average hospital lost nearly \\$7 million last year](#).¹⁷

Why Turnover Is a Problem in the Healthcare Industry

Identifying why turnover is such a problem in the healthcare industry is the first step to resolving it. Common issues that perpetuate turnover numbers may include the following:

- Lack of workplace engagement
- Burnout symptoms of stress, anxiety, depression and sleep disturbances experienced during the pandemic
- A tight labor market and stiff competition for talent
- Baby boomers reaching retirement age and leaving vacancies

- Job hoppers

A key to solving the turnover problem lies in the ability to [improve workplace engagement](#). Increased employee engagement can help to attract top talent in a competitive landscape and keep current employees happy, minimizing the risk of staff considering other job opportunities.

Recruiting, Engaging and Retaining Employees

The trifecta of recruiting, retaining and engaging employees is helpful to the success of multiple business objectives in healthcare.

Improve Retention Strategies

While turnover rates in the healthcare industry are notoriously high, many hospitals have implemented retention strategies but [about 33.6% of hospitals currently have not](#) tied them to measurable goals. Finding ways to increase tenure at your facility can help ease staffing gaps, improve patient care and evolve programs that maintain a well-trained arsenal of staff at your facility.

Focus on Employee Experience

We can all agree that bedside manner is an important component of a healthcare provider's job. But, have you considered how your facility treats your staff? Across the board, HR departments are starting to realize that employee experience is a huge part of keeping employees engaged and happy in the workplace.

To offer an enhanced employee experience, facilities must get to the core of what their workforce wants from an employer, whether it be financial wellness, workplace flexibility or otherwise. [Listening to employee feedback](#) is a key ingredient for successful recruiting, retention and employee engagement.

Find Leverage in a Competitive Market

In today's tight labor market, hospitals must differentiate themselves to attract and retain top talent. A survey conducted by The Harris Poll found that 73% of healthcare workers say it is important to them that their employer provides tools and resources to help them manage financial stress.¹⁸ Empowering employees with access to their earned pay before regularly scheduled pay cycles can help attract and retain top talent.

A solution to giving employees what they want can be found in on-demand pay. DailyPay is a benefit that gives your employees more control over when and how they receive their pay. DailyPay's solution is designed to help alleviate financial burdens that may affect employees while simultaneously empowering them to make smarter financial decisions.

DailyPay is a viable and cost-effective benefit for many organizations. Not only are daily pay solutions non-disruptive to your current payroll process, they offer creative ways to inspire, motivate and fulfill employees.

Companies who offer on-demand pay see significant benefits:

- 71% of healthcare workers would be more likely to remain at a job if their employer offered an on-demand pay benefit than if they didn't offer one.¹⁹
- 65% of healthcare workers say being able to track their earned wages on a daily basis would help alleviate financial stress.²⁰
- 48% of users say they are more motivated to remain with their current employer because they offer DailyPay.²¹
- 67% of users say DailyPay has helped them reduce financial stress.²²

With DailyPay, healthcare providers can care for their employees the way they expect their employees to care for their patients. In a new job market where employees hold more power than ever before – with more job choices, work options and revenue streams – employers must innovate and think of creative ways to attract and retain today's top talent. On-demand pay is a customizable employee benefit healthcare workers can use to achieve greater financial wellness, and in return employers foster a more attractive, engaged and productive workforce.

To learn more about how DailyPay can help you create the healthcare staff of the future, schedule a live [demo](#) where we'll walk you through all the powerful benefits today's employees expect.

¹[2023 NSI National Healthcare Retention & RN Staffing Report](#)

²[2023 NSI National Healthcare Retention & RN Staffing Report](#)

³[2023 NSI National Healthcare Retention & RN Staffing Report](#)

⁴[2023 NSI National Healthcare Retention & RN Staffing Report](#)

⁵[2023 NSI National Healthcare Retention & RN Staffing Report](#)

⁶[2023 NSI National Healthcare Retention & RN Staffing Report](#)

⁷[2023 NSI National Healthcare Retention & RN Staffing Report](#)

⁸[BLS, 2022](#)

⁹[2023 NSI National Healthcare Retention & RN Staffing Report](#)

¹⁰[2023 NSI National Healthcare Retention & RN Staffing Report](#)

2023 NSI National Health Care Retention & RN Staffing Report

*Published by: NSI Nursing Solutions, Inc.
www.nsinursingsolutions.com.*

Preface

We are proud to present the annual NSI National Health Care Retention and RN Staffing Report. In January 2023, **NSI Nursing Solutions, Inc.** invited over 3,000 hospitals from across the country to participate in the nation's most comprehensive survey on healthcare turnover, retention initiatives, vacancy rates, recruitment metrics and staffing strategies.

Healthcare continues to be a bright star in our economy and according to the US Bureau of Labor Statistics, is projected to grow 13 percent and add about 2 million new jobs through 2031. This pace exceeds all other occupational groups with practitioners and support occupations driving demand. While supply varies geographically; on a national level, a major crisis is evident and deteriorating. The questions remaining are: how do we protect our human capital investment and how do we staff while controlling labor costs?

NSI Nursing Solutions provides industry insight to help hospitals benchmark performance, identify best practices, and understand emerging trends. We sincerely extend our appreciation to all 273 participating facilities for making this report possible. Your feedback and suggestions were encouraging and valuable. As promised, all information is provided in the aggregate to maintain the confidential and sensitive nature of the data provided.

Should you have any questions or recommendations on expanding the scope or depth of this survey, please feel free to contact me at bcolosi@nsinursingsolutions.com. I welcome your participation in future studies conducted by NSI Nursing Solutions, Inc.

Brian Colosi, BA, MBA, SPHR
NSI Nursing Solutions, Inc.
President
March 2023

About NSI Nursing Solutions, Inc.

NSI Nursing Solutions, Inc. is a national high-volume nurse recruitment and retention firm. Since 2000, we have successfully recruited U.S. experienced RNs (averaging ~14 years) as your employees, who fit your culture, and do so in an average time-to-fill of ~30 days. At NSI, we provide an industry leading one (1) year guarantee and the best part is that our services are risk-free...since you must hire the nurses before we are paid.

We have helped many clients and can help you! I encourage you to call Michael Colosi, EVP, Business Development, at (717) 575-7817 or macolosi@nsinursingsolutions.com to learn how NSI can satisfy your staffing needs.

Partial Listing of Survey Participants

NSI Nursing Solutions, Inc. would like to thank all participating hospitals and health systems for your energies in completing the survey. Your support and dedication make this annual report possible. We encourage all hospitals to participate in future studies.



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Executive Summary

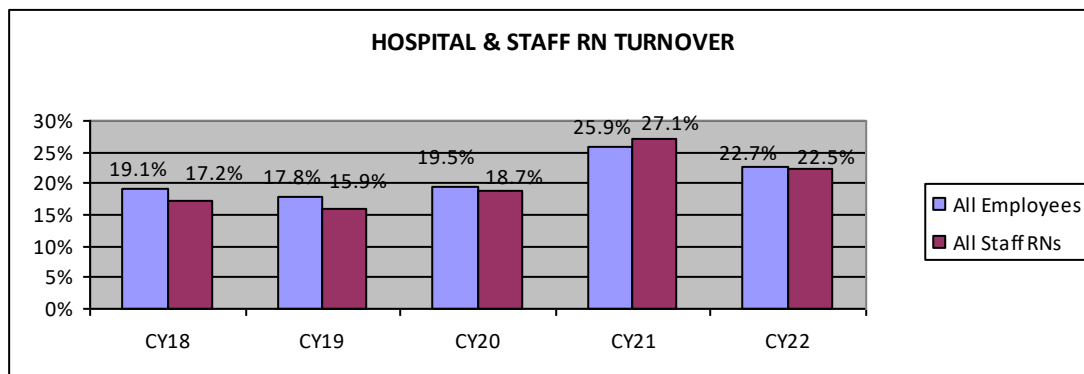
Recruiting and retaining quality staff remains the top healthcare issue. Last year, hospitals were able to recapture 5.65% of the talent lost during the “Great Resignation”, essentially adding 975,000 employees back to the rolls. Of this, 142,375 RNs returned which represents a 4.17% RN add rate. This slower rate begs the question, why are nurses hesitant to return?

Although welcome news, the labor gap remains prevalent and hospital turnover continues to be elevated. Nationally, the hospital turnover rate stands at 22.7%, a 3.2% decrease from 2021, and RN turnover is recorded at 22.5%, a 4.6% decrease. Registered Nurses working in surgical services, pediatrics and women’s health recorded the lowest turnover rate, while nurses working in telemetry, step down and medical/surgical services experienced the highest.

The cost of turnover can have a profound impact on diminishing hospital margins and needs to be managed. According to the survey, the average cost of turnover for a bedside RN is \$52,350, a 13.5% increase, resulting in the average hospital losing between \$6.6m – \$10.5m. Each percent change in RN turnover will cost/save the average hospital an additional \$380,600/yr.

The RN vacancy rate remains critical and is 15.7% nationally. While 1.3% lower than last year, over seventy-five percent (75.4%) reported a vacancy rate in excess of ten percent. The RN Recruitment Difficulty Index jumped an extra eight (8) days to an average of 95 days. In essence, it takes over 3 months to recruit an experienced RN, with med/surg presenting the greatest challenge.

Feeling the financial stress, hospitals are looking to decrease reliance on supplemental staffing. The greatest potential to offset margin compression is in the top budget line item (labor expense). Every RN hired saves \$157,000. An NSI contract to replace 20 travel nurses could save your institution \$3,140,000. Contact Michael Colosi at (717) 575-7817 to learn how NSI can improve your bottom line.



Methodology

In January, hospitals were invited to participate in the “NSI National Health Care Retention & RN Staffing Survey”. To maintain consistency and integrity, all facilities were asked to report data from January through December 2022. I am pleased to announce that 273 hospitals from 35 states, responded. In total, this survey covers 736,021 healthcare workers, and 202,502 Registered Nurses. This is an increase of 24.8% and 21.9%, respectively.

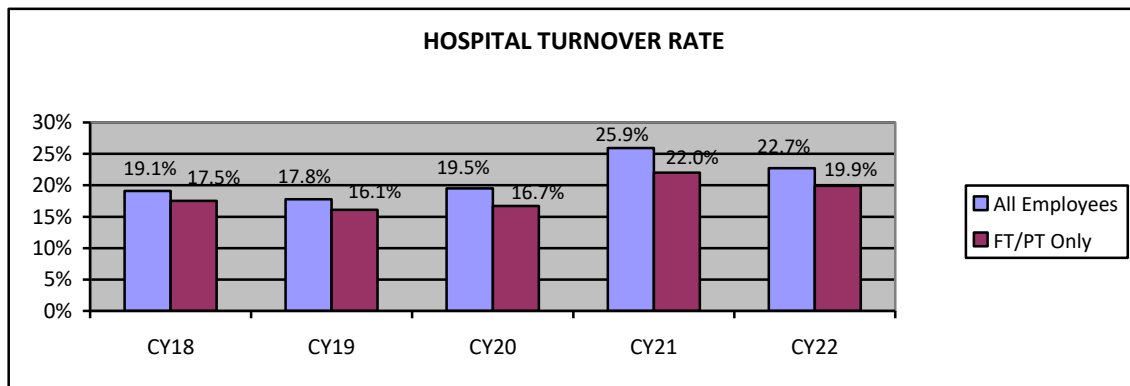
All findings are reported in the aggregate. Since organizations track and report turnover differently, it is important to establish a consistent methodology. To this end, raw data was collected on all employee terminations, whether voluntary or involuntary. Temporary, agency and travel staff were specifically excluded. Also, this survey does not measure transfers or “internal terminations.”

According to the findings, hospitals continue to be split on which employment classifications to include when calculating turnover. A majority (52.7%) include all employment classifications, such as full time, part time, per diem, prn, casual, occasional, etc. when reporting turnover. The remaining hospitals only include full-time and part-time employment classifications. Given this split, respondents provided data on all employees and for full/part-time staff only. For comparative purposes, we will adjust for this distinction and report for both methodologies. **Hospitals who only include FULL and PART-TIME classifications and exclude all other employment classifications in their metrics are directed to utilize the “Full/Part-Time” statistics for comparative purposes.**

Hospital Staffing & Turnover

Recruiting and retaining quality staff remains the top healthcare issue consuming operational energies and capital. In 2022, hospitals were able to recapture lost talent resulting in a 5.65% add rate. In essence, Talent Acquisition was able to add 974,848 employees back to the rolls. Clearly, this is well short of organizational needs as supported by the Hospital Executive Level Priorities (HELP.) survey. According to HELP, professional recruitment is the number one issue facing the industry and is what keeps CEOs, CNOs and CHROs up at night. Since turnover has a direct correlation to staffing and is a leading indicator of future financial pressure, and patient & employee satisfaction, it is easy to understand why healthcare executives are concerned.

Employee exits were down in the later part of 2022, helping reduce hospital turnover. However, given the degree of competition for labor, employee burnout and retirement, hospital turnover remains elevated. Nationally, the hospital turnover rate decreased 3.2% and currently stands at 22.7%, with the median and mode recorded at 23.0% and 21.4%, respectively. Given varying bed size, hospital turnover ranged from 7.3% to 40.5%. In the past 5 years, the average hospital turned over 105% of its workforce. The following graph illustrates annual hospital turnover rates since 2018. Hospitals that only measure “Full/Part-Time” separations reported an average turnover rate of 19.9%, with a median of 19.0%, and a mode of 21.1%.



Voluntary terminations accounted for 94.7% of all hospital separations. To further understand turnover, respondents were asked to identify the top five (5) reasons why employees resigned. Participants were asked to select from a list of 20 common reasons. Personal reasons, career advancement and relocation were at the top of the list. Finishing the list of top ten reasons why employees left include: salary, retirement, unknown, education, scheduling, workload/staffing ratios, and commute.

The following table records the average hospital turnover rate by region and bed size. Hospitals who only include Full/Part-Time employment classifications in their metrics are directed to the column on the right. The number in parenthesis reflects the year-over-year change.

In 2022, the North-East, North-Central and South-East regions experienced a decrease in turnover from the prior year, ranging from -2.9% to -7.9%. The North-Central experienced the greatest decrease in turnover and recorded the lowest rates. Although recording a lower turnover rate, the South-East hospitals trended higher than the national average. South-Central hospitals were close to the national average with the West experiencing a modest increase.

Upon review of turnover by bed size, all groups reported a decrease, ranging from -0.4% to -3.5%. Hospitals with less than 200 beds performed better than the national average, while hospitals with 200-349 beds exceeded the national average. Hospitals with more than 500 beds performed close to the benchmark.

The profile of a hospital with the greatest retention capacity and lowest turnover is a hospital with less than 200 beds and located in the North-Central region. Conversely, a hospital with the highest turnover is a facility in the South-East or West with between 200 to 349 beds.

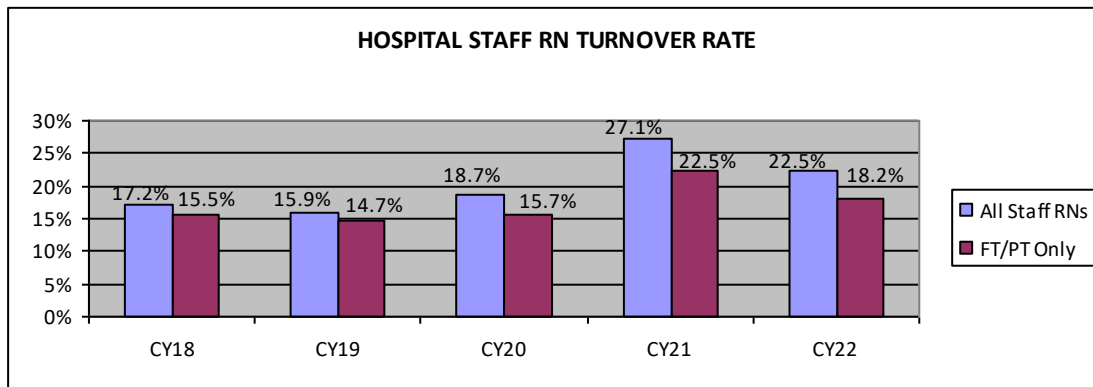
REGION	HOSPITAL TURNOVER	FULL/PART TIME TURNOVER
North East – (CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI & VT)	22.2% (-3.5%)	18.9% (-2.9%)
North Central – (IA, IL, IN, KS, MI, MN, MO, MT, ND, NE, OH, SD, WI & WY)	20.7% (-7.9%)	18.4% (-6.3%)
South East – (AL, FL, GA, KY, MS, NC, SC, TN, VA & WV)	23.5% (-4.4%)	20.8% (-3.2%)
South Central – (AR, CO, LA, NM, OK, & TX)	22.4% (-0.5%)	20.3% (+0.9%)
West – (AK, AZ, CA, HI, ID, NV, OR, UT & WA)	23.8% (+0.7%)	20.0% (+1.7%)
BED SIZE		
<200 Beds	21.7% (-2.7%)	18.2% (-2.1%)
200-349 Beds	23.8% (-3.4%)	20.4% (-2.0%)
350-500 Beds	22.9% (-2.1%)	20.2% (-0.4%)
>500 Beds	22.7% (-3.5%)	20.1% (-2.5%)
NATIONAL AVERAGE	22.7% (-3.2%)	19.9% (-2.1%)

In 2022, hospitals were able to decrease turnover by 3.2%. However, this fell short of their goal which was to reduce turnover by 5.9%. For 2023, hospitals are looking to lower turnover by 3.8%. Establishing a measurable goal needs to be a core component of any retention strategy. At present, thirty-four percent (33.6%) have not established a measurable goal.

Staff Registered Nurse Turnover

Lured by lucrative travel assignments or feelings of disillusionment, exhaustion or burnout, RNs marched from the bedside at an alarming rate. While RN travel pay remains high and varies by geography and specialty, nationally it has decreased 20.4%, thus helping Talent Acquisition add 142,375 RNs back to payroll. This represents a 4.17% RN add rate, which is lower than the 5.65% hospital rate and raises the question; why are RNs hesitant to return?

At the same time, RN turnover continues to be elevated and comparable to the hospital average. The following chart illustrates the turnover rate for staff RNs since 2018. In 2021, RN turnover jumped 8.4%. In 2022, RN turnover rebounded and decreased 4.6%. Currently, the national RN turnover rate is 22.5% with a median of 21.7% and a mode of 18.9%. Given varying bed size, RN turnover ranged from 6.5% to 64.5%. Hospitals that only measure “Full/Part-Time” separations reported an average turnover rate of 18.2%, a 4.3% decrease, with a median and mode of 17.9% and 21.1%, respectively. In the past five years, the average hospital turned over 101.4% of their RN workforce.



The cost of turnover can have a profound impact on the diminishing hospital margin. Today, half (48.8%) of the hospitals track this cost. The average cost of turnover for a staff RN is \$52,350 with the range averaging \$40,200 to \$64,500. This is a 13.5% jump and is reflected in the labor expense budget line to include overtime, and increases in salary, COVID related pay programs and travel/agency fees. Given the elevated turnover rate, the average hospital lost \$8.55m in 2022, ranging from \$6.57m to \$10.53m. Breaking this down further, each percent change in RN turnover will cost/save the average hospital \$380,600 per year.

The following table records the average staff RN turnover rate by region and bed size. Again, hospitals who only include Full/Part-Time employment classifications in their metrics are directed to the column on the right. The number in parenthesis reflects the annual change.

The 2021-22 percent change in regional RN turnover ranged from -6.7% to +0.1%. Hospitals in the North-Central and North-East regions performed below the national norm. When viewed by bed size, all groups experienced a decrease in turnover, ranging from -0.7% to -5.9%. Hospitals with less than 200 beds and those with between 350 to 500 beds outperformed the benchmark.

Hospitals in the North-Central region and with less than 200 beds or between 350 and 500 beds experienced a greater retention level. The profile of a hospital with the highest RN turnover is a facility with over 500 beds and located in the South-Central region.

REGION	STAFF RN TURNOVER	FULL/PART TIME RN TURNOVER
North East – (CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI & VT)	20.9% (-4.5%)	17.0% (-3.9%)
North Central – (IA, IL, IN, KS, MI, MN, MO, MT, ND, NE, OH, SD, WI & WY)	17.8% (-6.7%)	14.9% (-5.6%)
South East – (AL, FL, GA, KY, MS, NC, SC, TN, VA & WV)	23.7% (-6.2%)	18.6% (-6.4%)
South Central – (AR, CO, LA, NM, OK, & TX)	24.6% (-1.0%)	21.6% (+0.1%)
West – (AK, AZ, CA, HI, ID, NV, OR, UT & WA)	22.4% (-1.4%)	16.9% (-1.0%)
BED SIZE		
<200 Beds	21.0% (-3.2%)	17.4% (-0.7%)
200-349 Beds	21.5% (-5.1%)	18.6% (-2.7%)
350-500 Beds	20.3% (-5.9%)	17.6% (-3.1%)
>500 Beds	23.6% (-4.3%)	18.3% (-5.3%)
NATIONAL AVERAGE	22.5% (-4.6%)	18.2% (-4.3%)

Respondents were also asked to identify the top five (5) reasons why staff RNs voluntarily resigned. Participants were asked to select from a list of 20 common reasons. Personal reasons, career advancement and relocation remained at the top of the list. Rounding out the top 10 reasons why RNs voluntarily resigned are: salary, retirement, scheduling, unknown, education, commute, and workload/staffing ratios.

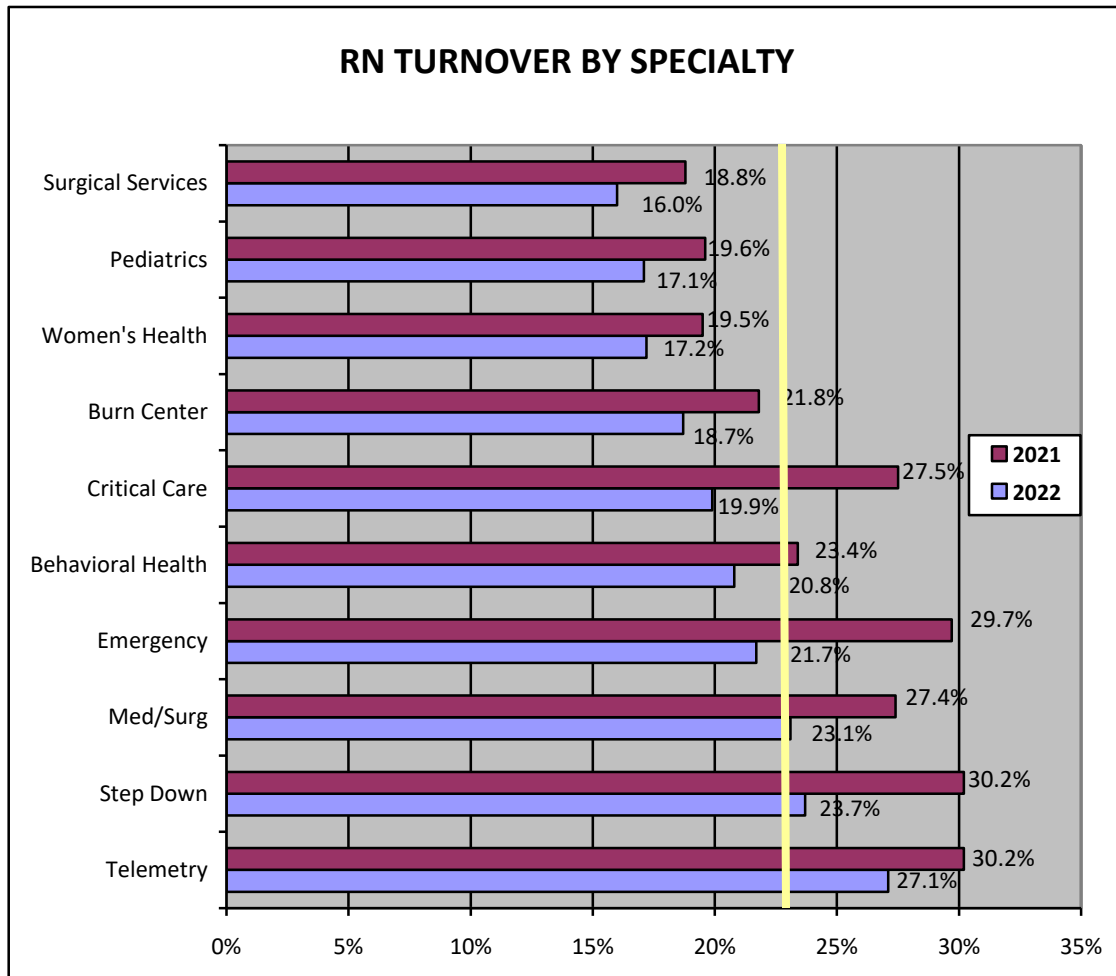
To better understand how hospitals met their RN staffing complement during these challenging times, respondents were asked to identify which strategies were utilized and to rate how effective each were in meeting the goal. The top five most common strategies to staff the bedside include: asking RNs to volunteer for overtime, authorizing critical staffing pay, flexing part-time or per diem employees, relying on travel/agency nurses and increasing the RN salary scale.

From an effectiveness perspective, hospitals felt that compensation programs relative to critical staffing were most successful, followed by expanding the “inhouse” staffing pool. Rounding out the top five most effective strategies include: travel/agency staffing, increasing RN pay scales and flexing part-time and per diem staff. For a complete listing of strategies and ratings, please see *Appendix b: Recruitment & Retention Strategies*.

Registered Nurse Turnover by Specialty

Registered Nurse turnover varies by discipline. The following compares the average RN turnover rate by specialty for the past two years. The solid yellow line represents the national turnover rate for RNs (22.5%). Telemetry, step down and medical/surgical RN turnover exceeded the national average. Looking back over the past five years, RNs in step down, telemetry, behavioral health and emergency services were the most mobile with a cumulative turnover rate between 108.7% and 115.2%. Essentially, these departments will turn over their entire RN staff in less than five (5) years.

When we consider the average age of nurses and the anticipated wave of retirements about to break, we need to keep in mind that some specialties will be impacted at a quicker pace. This is particularly true for surgical services, behavioral health and women's health. Managing retention should be a strategic imperative, particularly given the high cost of turnover and the ongoing RN staffing crisis.



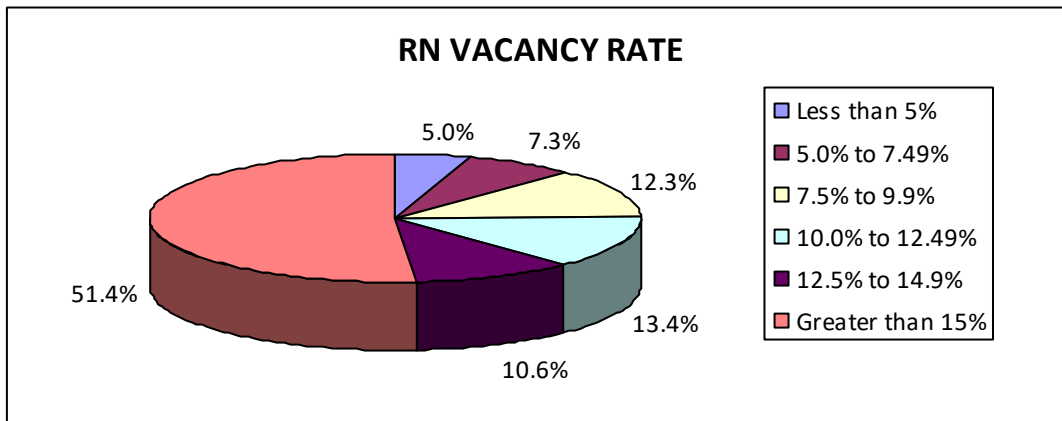
RN Vacancy Rate

As travel rates decreased and turnover slowed in the later part of 2022, hospitals were able to make up some ground and lower the vacancy rate by 1.3%. Although progress, a significant labor gap is prevalent. The RN vacancy rate remains elevated and currently stands at 15.7%. This has a direct impact on quality outcomes, the patient experience and leads to excess labor costs such as overtime and travel/agency usage.

A high vacancy rate coupled with a high RN Recruitment Difficulty Index (*see page 11*) is a clear indication that the labor shortage will continue to challenge hospitals. To further illustrate the magnitude of the staffing crisis, a vast majority of hospitals (75.4%) reported a vacancy rate greater than ten percent (10%). As the demand for RNs increase, as nurses move away from the bedside, and as Baby Boomers reach retirement, expect the vacancy rate to remain critical.

When the labor market tightens, hospitals bridge the gap by authorizing overtime and critical staffing pay, by increasing travel staff usage, and by flexing their internal staffing pool. All of which are costly strategies, especially when travel rates average \$127/hr and range to \$175/hr. At NSI Nursing Solutions, Inc. we encourage our clients to minimize excess labor utilization and focus on a strategy that embraces full staffing and builds retention while enhancing ROI. I encourage you to contact Michael Colosi, at (717) 575-7817 or macolosi@nsinursingsolutions.com to learn how NSI can improve your bottom line.

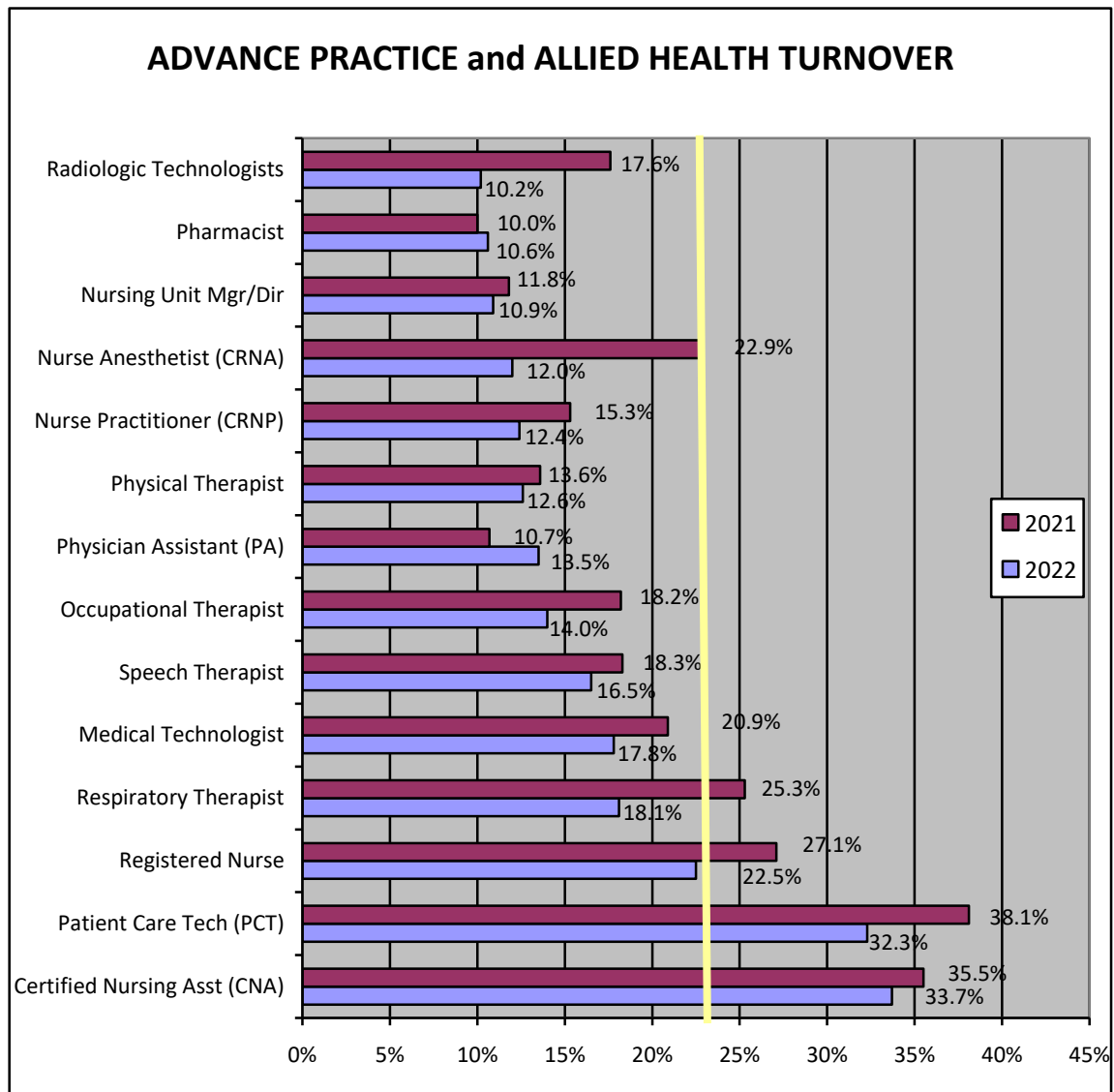
RN VACANCY RATE	2019	2020	2021	2022	2023
Less than 5%	21.9%	19.3%	23.9%	6.5%	5.0%
5.0% to 7.49%	22.8%	18.2%	13.8%	3.6%	7.3%
7.5% to 9.9%	31.6%	30.7%	26.6%	8.6%	12.3%
10.0% to 12.49%	12.3%	15.9%	22.9%	12.2%	13.4%
12.5% to 14.9%	5.3%	4.5%	3.7%	7.9%	10.6%
Greater than 15.0%	6.1%	11.4%	9.2%	61.2%	51.4%
Average	8.0%	9.0%	9.0%	17.0%	15.7%



Advance Practice and Allied Health Turnover

For the past five years, all advance practice and allied health professionals recorded turnover rates below the hospital average, which holds true for 2022. The following chart compares the average turnover rate for advance practice and allied health personnel in the acute care setting for the past two years. The solid yellow line represents the current hospital turnover rate (22.7%).

In 2022, the majority of positions, in the NSI Nursing Solutions Inc survey, recorded a decrease in turnover. Pharmacists and Physician Assistants realized an increase in turnover of 0.6% and 2.8% respectively. Patient Care Technicians (PCTs) and Certified Nursing Assistants (CNAs) continue to outpace all other job titles when it comes to turnover. These jobs continue to record a turnover rate in excess of 30%.



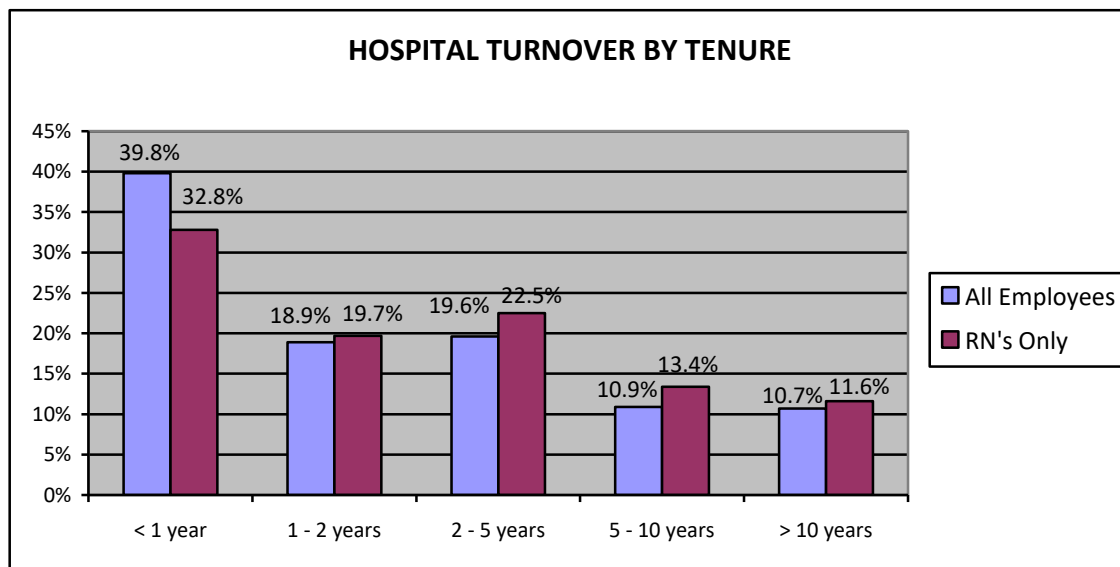
Hospital Turnover by Tenure

The following graph illustrates the years of service (tenure) for all employees and RNs who left during the survey period. Based upon the survey data, close to forty percent (39.8%) of all new hires left within a year, with a median of 38.9% and a mode of 41.6%. This same group accounted for a third (31.4%) of all turnover. As consistent with previous surveys, over half (58.7%) of the exited employees had less than two years of service and employees with more than 5 years of tenure experienced a greater level of organizational commitment.

First year turnover continues to outpace all other tenure categories. When looking at the range of those employees who terminated with “less than one year of service”, this group can make up 62.5% of a hospital’s total turnover. When expanding this to include all employees with less than two (2) years of service, the range jumped to 82.5%. Without saying, this is not the typical or average facility. However, a large percent of all separations is caused by employees with less than two years of tenure.

Although not as dramatic, when viewing RNs, a similar trend is noted. Close to a third (32.8%) of all newly hired RNs left within a year, with first year turnover accounting for over a quarter (28.7%) of all RN separations. The median and mode were recorded at 30.2% and 33.3%, respectively.

A significant opportunity to protect a hospital’s investment in Human Capital and recapture revenue exists. Operational considerations must address how employment decisions are made and include programs that build relationships, commitment and confidence early in the employment cycle. When it comes to protecting the more tenured staff, hospitals must also focus on a strategy to retain older workers. Currently, only thirty-eight percent (38.4%) of hospitals have a specific strategy to retain older nurses.

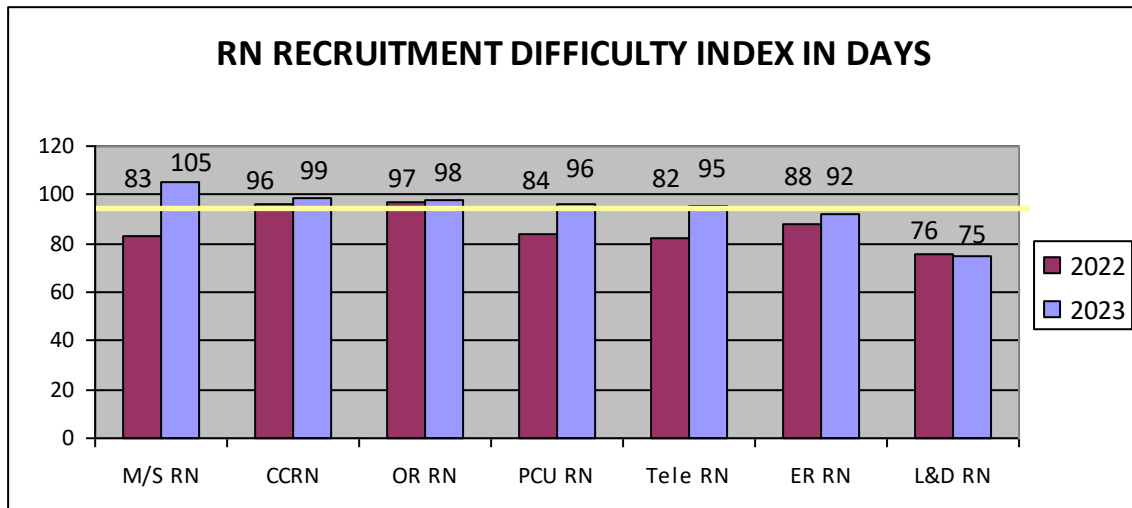


RN Recruitment Difficulty Index

The RN Recruitment Difficulty Index (RDI-RN) gauges the average number of days it takes a hospital to recruit an experienced RN. Participants were asked to identify the range which best describes the time to fill a RN vacancy, given specialty. The average time to recruit an experienced RN ranged from 61 to 120 days.

The following chart illustrates the average number of days it took to recruit a RN by specialty. The yellow line is the current RN Recruitment Difficulty Index and represents the average time to fill a vacancy regardless of specialty. Currently, this stands at 95 days, which is eight (8) days slower than the prior survey. This elevated rate has been challenging Talent Acquisition for years, which begs the question; is this acceptable or should we think differently? Contracting with a staffing provider can help Talent Acquisition improve time-to-fill. With an average time-to-fill of ~30 days, NSI has the national reach and proven track record to quickly hire experienced Registered Nurses. Contact Michael Colosi at (717) 575-7817 or macolosi@nsinursingsolutions.com to learn how NSI can help.

With the exception of Labor & Delivery RNs, all specialties experienced an increase in time-to-fill. For the first time, medical/surgical RNs were the most difficult to hire, adding 3 weeks (22 days) of recruitment time. On average, it takes 91 to 120 days to fill an experienced M/S RN, with the average being 105 days. Critical care, operating room and step-down nurses also posted above the average. Last year, hospitals were able to hire L&D RNs quicker, but it still took approximately two and a half months (75 days) to fill.

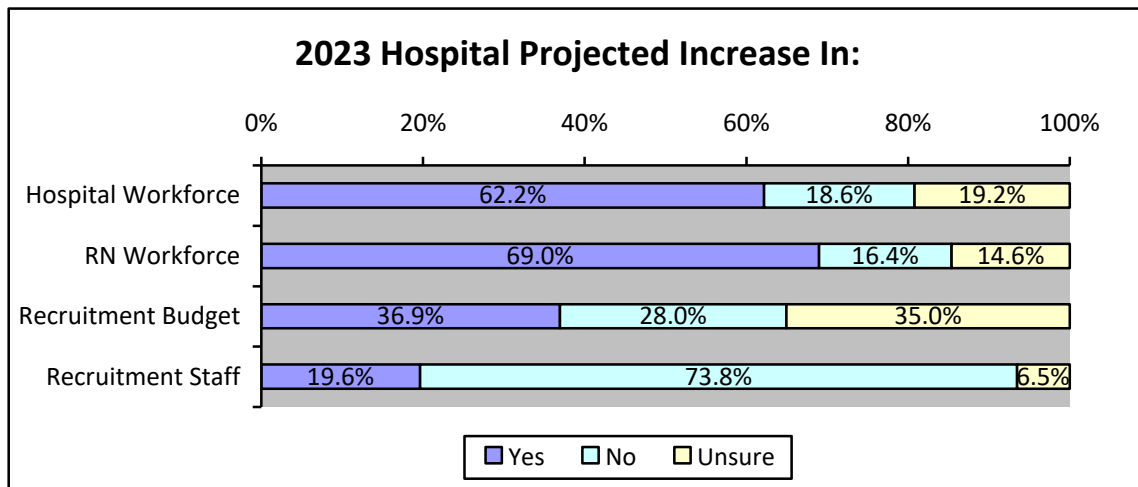


When it comes to recruiting RNs, not all regions perform the same. The West outperformed all other regions and could recruit RNs quicker, with an average time to fill of 72 days, an eight (8) day increase from 2021. The South-East and South-Central regions also posted below the national benchmark at 88 and 93 days, respectively. The North-East and North-Central were finding it more difficult to recruit RNs with an RDI-RN of 107 and 101 days, respectively.

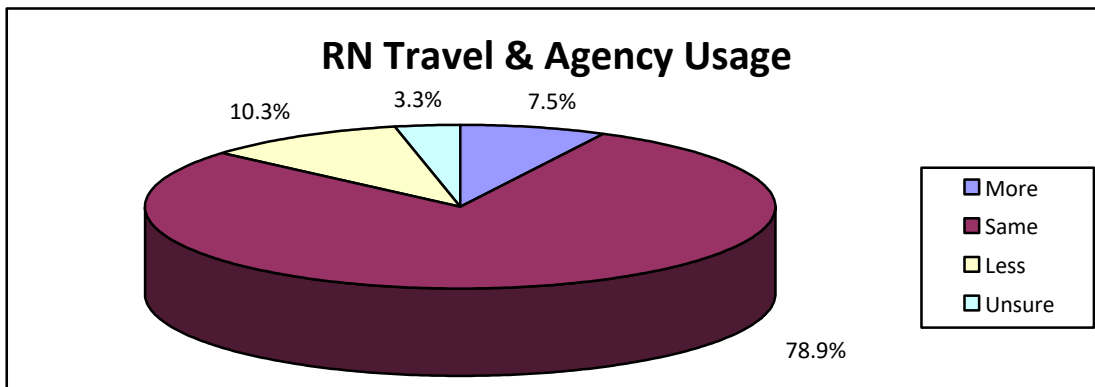
Workforce Projections

Labor demands are forcing hospitals to use costly approaches to staff beds. Authorizing critical staffing pay, increasing reliance on agency/travel staff, internal resource pools and overtime were some of the most common strategies to meet scheduling needs. In 2022, healthcare jobs continued to grow and are trending up for 2022 with 62% of hospitals expecting to increase their labor force and 69% projecting to increase their RN complement.

This mandate to hire more employees will further strain Talent Acquisition. While hospitals expect to grow their hospital and RN workforce, 37% anticipate an increase to the recruitment budget and 20% plan to increase their recruitment staff. Currently, the HR FTE to employee ratio in an acute care setting is .92 per 100 employees.



To improve margins, hospitals need to control labor costs and decrease reliance on travel/agency staff. Approximately eighty percent (78.9%) of hospitals anticipate using the same amount of supplemental staff in 2023. When comparing the cost difference between employed RNs vs travel RNs, the amount is staggering. For every 20 travel RNs eliminated, a hospital can save, on average, \$3,140,000. Contact Michael Colosi at (717) 575-7817 or macolosi@nsinursingsolutions.com to learn how NSI Nursing Solutions, Inc can improve your bottom line.



Conclusion

The health care industry continues to be a cornerstone of our economy and must be ready to adapt to the changing landscape. The expanding healthcare rolls, the aging population, the mandate on quality & safety, the squeeze in reimbursements, the competition for patient volume, the shift in the delivery of care, the shortage of physicians, nurses & allied professionals and a world-wide pandemic have all stressed the industry.

As a leading indicator of future organizational pressure, hospitals must understand and trend turnover. The value hospitals place in their people will have a direct correlation to their commitment, confidence and engagement. Enhancing culture and building programs to reinforce these values is critical to driving retention. Focus on strategies that enhance culture and eliminate those that do not.

A quantifiable measure of the severity of a hospital's vacancy rate is contract labor and overtime usage. Management must identify contract labor costs and not view it as an "operating expense", but rather as aggregated within the position control system. Inclusion within the payroll cost line, will provide greater insight into the actual direct cost of labor.

To strengthen the bottom line, hospitals need to build retention capacity, manage vacancy rates, bolster recruitment initiatives and control labor expenses. Building and retaining a quality workforce is paramount to navigate the staffing paradigm. Let NSI Nursing Solutions Inc. help!

CLOSE

2023 NSI Quick Reference Guide

Hospital Turnover Statistics	
Hospital Turnover Range	7.3% to 40.5%
Average Hospital Turnover*	22.7%
Average Hospital Turnover (Full and Part Time employees only)*	19.9%
Bedside/Staff RN Turnover Range	6.5% to 64.5%
Average Staff RN Turnover*	22.5%
Average Staff RN Turnover (Full and Part Time staff RNs only)*	18.2%
1 st Year Employee Turnover	31.4%
1 st Year RN Turnover	28.7%
Cost of Each RN Turnover	\$52,358
Average Annual Cost of RN Turnover**	\$8.55m
Average Annual Cost/Savings per 1% Change in RN Turnover	\$380,599
Percent of Involuntary Turnover	5.3%
2023 Hospital Retention Goal (To lower turnover by...)	3.81%

*All turnover formulas = ((# of separations/average # of employees)*100)

**Based on the average of the selected range.

Hospital Staffing & Recruitment Metrics	
Average Hospital RN Vacancy Rate**	15.7%
Average RN Time-to-Fill**	95 days
Percent Anticipating to Increase Workforce	62.2%
Percent Anticipating to Increase RN Workforce	69.0%
Percent Anticipating to Increase Recruitment Budget	36.9%
Percent Anticipating to Increase Recruitment Staff	19.6%
HR to Employee Ratio (per 100 employees)***	.92
Recruitment to Employee Ratio (per 100 employees)***	.27
Percent Anticipating to Decrease Travel/Agency Usage	9.8%

***HR ratios = ((# of HR or Recruitment FTEs/Total # of employees)*100)

Staff Nurse vs. Travel Nurse Cost Savings	Hourly / Annually
Average Travel Nurse Fee	\$127.12 / \$264,410
Average RN Pay (includes 25.9% for benefits)	\$51.66 / \$107,445
Cost Difference: Staff Nurse vs. Travel Nurse	\$75.46 / \$156,965
For every 20 Travel RNs eliminated, the average hospital can save	\$3,139,270

Recruitment & Retention Strategies

The following matrix is a listing of strategies employed by hospitals to staff beds and maintain quality. More specifically, it indicates the percent of hospitals using each strategy and how effective they felt each have been in achieving staffing goals.

NO.	STRATEGY	USAGE	EFFECTIVENESS
1	Ask RNs to volunteer for overtime.	99.2%	Effective
2	Authorize critical staffing pay.	94.7%	Very Effective
3	Flex part-time or per diem RNs.	91.9%	Effective
4	Rely on agency or travel nurses.	91.1%	Effective
5	Increase the RN salary scale.	90.6%	Effective
6	Offer/Increase sign-on bonuses.	90.2%	Moderately Effective
7	Hire additional support staff. (<i>Techs, Aides, Transport, etc...</i>)	87.7%	Effective
8	Build an “inhouse” RN staffing pool.	85.8%	Very Effective
9	Offer retention bonuses.	69.3%	Effective
10	Invite retirees to return to work.	67.7%	Marginally Effective
11	Mandate RNs to float.	64.4%	Moderately Effective
12	Increase RN staffing ratios.	57.4%	Moderately Effective
13	Close beds or discontinue services.	54.9%	Moderately Effective
14	Reassign outpatient staff to the bedside.	49.8%	Marginally Effective
15	Mandate overtime.	37.4%	Moderately Effective
16	Create/Implement a shift bid process.	24.7%	Marginally Effective
17	Change the RN care delivery model.	17.0%	Moderately Effective



July 27, 2023

CFO Financial Summary for the District Board: Pre-Audit Financial Reporting

For the month ending June 30, 2023, the District's Net Surplus (Loss) is \$3,149 compared to a budgeted Surplus (Loss) of \$235,338. The District is under budget for the month by \$232,189.

YTD as of June 30, 2023, the District's Net Surplus (Loss) is \$2,038,063 compared to a budgeted Surplus (Loss) of \$6,581,114. The District is under budget YTD by \$4,543,051.

Acute discharges were 148 for the month, under budget by 31 discharges or 17%. The ADC was 13.03 compared to a budget of 17.83. The ALOS was 2.64. The acute I/P gross revenue was under budget by **\$2.3 million** while O/P services gross revenue was **\$4.47 million** or 22% over budget. ER I/P visits were 114 and ER O/P visits were over budget by 326 visits or 20%. The RHCs & Specialty Clinics treated 3,491 (includes 446 visits at the Diabetes Clinic) and 1,079 visits respectively. Specialty Clinic visits were low due to the closure of PCA on June 1, 2023.

Other Operating revenue exceeded budget by **\$1,444,089** due mainly to the District recognizing \$407,030 in funding from the American Rescue Plan ARP and a year-end adjustment for the PY6 QIP of \$900,000. In addition, the Magellan Health rebate was \$141,168 more than budgeted.

Operating Expenses were under budget by **\$1.065 million** due mainly to variances in: Salary and Wages being under budget by \$363,021, Registry under budget by \$179,008 with the savings being offset by Employee Benefits over budget by \$144,848.

For the year ending 06/30/2023, Salary and Wages were **\$5.9 million** under budget due to reductions in productive FTEs. However, benefits were over budget by **\$1.03 million** due to employee health benefits being over by **\$721,722** and the pass through of the State's Worker Retention Payment of **\$565,750**. The WRP expense was offset by the State's payment recorded under Other Operating Revenue.

Non-operating Revenue was under budget by **\$1,341**.

The SNFs ADC was **93.63** for the month. The Net Surplus (Loss) is **\$54,325** compared to a budget of \$59,728. Effective May 10, 2023, the SNF Medi-Cal rate is **\$704.86** per day. YTD, the SNF is exceeding its budget by \$3.6 million. The 10% COVID premium of **\$56.96** expired on May 10, 2023.

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 06/30/23

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 06/30/23	BUDGET 06/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/22	ACTUAL 06/30/23	BUDGET 06/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/22
GROSS PATIENT REVENUE:										
ACUTE ROUTINE REVENUE	2,694,039	3,664,611	(970,572)	(27)	3,890,286	46,889,962	51,881,602	(4,991,640)	(10)	49,340,302
SNF ROUTINE REVENUE	2,112,750	1,980,000	132,750	7	1,926,700	24,725,200	24,089,993	635,207	3	21,120,560
ANCILLARY INPATIENT REVENUE	3,525,808	4,684,065	(1,158,257)	(25)	5,167,089	56,642,477	65,959,173	(9,316,697)	(14)	62,970,408
HOSPITALIST\PEDS I\P REVENUE	118,354	185,467	(67,113)	(36)	189,621	2,032,370	2,625,930	(593,560)	(23)	2,475,515
TOTAL GROSS INPATIENT REVENUE	8,450,951	10,514,143	(2,063,192)	(20)	11,173,695	130,290,008	144,556,698	(14,266,690)	(10)	135,906,785
ANCILLARY OUTPATIENT REVENUE	24,511,635	20,029,061	4,482,574	22	21,073,819	279,974,439	254,314,192	25,660,247	10	241,770,731
HOSPITALIST\PEDS O\P REVENUE	45,830	59,411	(13,582)	(23)	52,602	646,826	717,129	(70,303)	(10)	664,933
TOTAL GROSS OUTPATIENT REVENUE	24,557,464	20,088,472	4,468,992	22	21,126,421	280,621,265	255,031,321	25,589,944	10	242,435,664
TOTAL GROSS PATIENT REVENUE	33,008,415	30,602,615	2,405,800	8	32,300,116	410,911,273	399,588,019	11,323,254	3	378,342,448
DEDUCTIONS FROM REVENUE:										
MEDICARE CONTRACTUAL ALLOWANCES	10,088,828	7,430,449	2,658,379	36	12,784,913	118,906,537	97,426,052	21,480,485	22	99,027,663
MEDI-CAL CONTRACTUAL ALLOWANCES	8,643,875	7,304,509	1,339,366	18	8,905,114	103,379,020	95,564,056	7,814,964	8	93,237,882
BAD DEBT EXPENSE	671,141	293,015	378,126	129	68,532	4,707,915	3,844,563	863,352	23	3,551,085
CHARITY CARE	54,522	66,850	(12,328)	(18)	273,523	439,859	877,148	(437,289)	(50)	1,106,663
OTHER CONTRACTUALS AND ADJUSTMENTS	4,539,103	3,624,782	914,321	25	3,274,809	45,424,498	47,320,503	(1,896,005)	(4)	44,931,088
HOSPITALIST\PEDS CONTRACTUAL ALLOW	(48,041)	8,005	(56,046)	(700)	12,317	(40,570)	105,106	(145,676)	(139)	92,976
TOTAL DEDUCTIONS FROM REVENUE	23,949,428	18,727,610	5,221,818	28	25,320,208	272,817,260	245,137,428	27,679,832	11	241,947,356
NET PATIENT REVENUE	9,058,987	11,875,005	(2,816,018)	(24)	6,979,909	138,094,013	154,450,591	(16,356,578)	(11)	136,395,093
OTHER OPERATING REVENUE	2,033,054	568,965	1,464,089	245	3,316,388	15,924,011	6,962,569	8,961,442	129	10,310,105
NET OPERATING REVENUE	11,092,040	12,443,970	(1,371,930)	(11)	10,296,296	154,018,023	161,413,160	(7,395,137)	(5)	146,705,198
OPERATING EXPENSES:										
SALARIES & WAGES	4,415,938	4,844,812	(428,875)	(9)	4,836,046	56,780,997	62,684,003	(5,903,006)	(9)	56,772,326
REGISTRY	148,701	307,500	(158,799)	(52)	499,721	4,217,289	3,705,000	512,289	14	5,447,939
EMPLOYEE BENEFITS	2,750,215	2,585,078	165,137	6	3,110,516	34,416,763	33,383,934	1,032,829	3	31,391,509
PROFESSIONAL FEES	1,448,983	1,598,425	(149,442)	(9)	1,510,728	20,224,115	19,447,506	776,609	4	17,339,122
SUPPLIES	773,684	1,219,055	(445,371)	(37)	1,192,674	14,144,306	15,568,728	(1,424,423)	(9)	13,944,423
PURCHASED SERVICES	998,809	1,073,837	(75,028)	(7)	1,293,634	14,492,703	13,065,009	1,427,694	11	12,719,664
RENTAL	86,942	150,161	(63,219)	(42)	80,922	1,762,162	1,802,070	(39,909)	(2)	1,707,886
DEPRECIATION & AMORT	321,224	329,998	(8,774)	(3)	315,625	3,897,433	3,942,004	(44,571)	(1)	3,749,096
INTEREST	25,444	3,750	21,694	579	101,252	299,601	45,000	254,601	566	145,721
OTHER	387,579	385,986	1,593	0	363,834	5,104,707	4,469,992	634,715	14	4,190,144
TOTAL EXPENSES	11,357,520	12,498,602	(1,141,082)	(9)	13,304,951	155,340,074	158,113,246	(2,773,172)	(2)	147,407,830
NET OPERATING INCOME (LOSS)	(265,479)	(34,632)	(230,847)	667	(3,008,655)	(1,322,051)	3,299,914	(4,621,965)	(140)	(702,632)

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 06/30/23

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 06/30/23	BUDGET 06/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/22	ACTUAL 06/30/23	BUDGET 06/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/22
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	1,208	10,000	(8,792)	(88)	10,363	665,411	170,000	495,411	291	164,302
PROPERTY TAX REVENUE	195,915	194,511	1,404	1	389,940	2,350,980	2,334,132	16,848	1	2,427,679
GO BOND PROP TAXES	164,964	164,964	0	0	287,095	1,979,570	1,979,568	2	0	2,048,091
GO BOND INT REVENUE\EXPENSE	(72,048)	(72,048)	1	0	(75,091)	(864,570)	(864,576)	6	0	(901,086)
OTHER NON-OPER REVENUE	13,916	7,866	6,050	77	8,056	(284,866)	94,392	(379,258)	(402)	171,247
OTHER NON-OPER EXPENSE	(32,870)	(35,323)	2,453	(7)	(75,263)	(487,333)	(432,316)	(55,017)	13	(542,996)
INVESTMENT INCOME	(2,456)	0	(2,456)		(17,769)	923	0	923		(29,082)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	268,629	269,970	(1,341)	(1)	527,332	3,360,114	3,281,200	78,914	2	3,338,155
NET SURPLUS (LOSS)	3,149	235,338	(232,189)	(99)	(2,481,323)	2,038,063	6,581,114	(4,543,051)	(69)	2,635,523
EBIDA	\$ 264,327	\$ 507,743	\$ (243,416)	(47.94)%	\$ (2,302,440)	\$ 5,307,829	\$ 9,840,442	\$ (4,532,613)	(46.06)%	\$ 5,780,610
EBIDA MARGIN	2.38%	4.07%	(1.69)%	(41.50)%	(22.36)%	3.45%	6.10%	(2.65)%	(43.47)%	3.94%
OPERATING MARGIN	(2.39)%	(0.28)%	(2.12)%	761.24%	(29.22)%	(0.86)%	2.04%	(2.90)%	(141.98)%	(0.48)%
NET SURPLUS (LOSS) MARGIN	0.03%	1.89%	(1.86)%	(98.50)%	(24.10)%	1.32%	4.08%	(2.75)%	(67.54)%	1.80%

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 06/30/23

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 06/30/23	BUDGET 06/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/22	ACTUAL 06/30/23	BUDGET 06/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/22
GROSS PATIENT REVENUE:										
ROUTINE REVENUE	2,694,039	3,664,611	(970,572)	(27)	3,890,286	46,889,962	51,881,602	(4,991,640)	(10)	49,340,302
ANCILLARY INPATIENT REVENUE	3,176,774	4,451,424	(1,274,650)	(29)	4,903,997	51,924,086	63,128,686	(11,204,600)	(18)	60,149,129
HOSPITALIST I/P REVENUE	118,354	185,467	(67,113)	(36)	189,621	2,032,370	2,625,930	(593,560)	(23)	2,475,515
TOTAL GROSS INPATIENT REVENUE	5,989,168	8,301,502	(2,312,334)	(28)	8,983,904	100,846,418	117,636,218	(16,789,800)	(14)	111,964,945
ANCILLARY OUTPATIENT REVENUE	24,511,635	20,029,061	4,482,574	22	21,073,819	279,974,439	254,314,192	25,660,247	10	241,770,731
HOSPITALIST O/P REVENUE	45,830	59,411	(13,582)	(23)	52,602	646,826	717,129	(70,303)	(10)	664,933
TOTAL GROSS OUTPATIENT REVENUE	24,557,464	20,088,472	4,468,992	22	21,126,421	280,621,265	255,031,321	25,589,944	10	242,435,664
TOTAL GROSS ACUTE PATIENT REVENUE	30,546,632	28,389,974	2,156,658	8	30,110,325	381,467,683	372,667,539	8,800,144	2	354,400,609
DEDUCTIONS FROM REVENUE ACUTE:										
MEDICARE CONTRACTUAL ALLOWANCES	9,861,434	7,264,517	2,596,917	36	12,663,852	115,985,637	95,407,206	20,578,431	22	97,198,979
MEDI-CAL CONTRACTUAL ALLOWANCES	8,353,535	7,150,985	1,202,550	17	9,789,925	103,809,847	93,696,176	10,113,671	11	93,228,415
BAD DEBT EXPENSE	499,578	293,015	206,563	71	89,299	4,477,715	3,844,563	633,152	17	3,439,646
CHARITY CARE	52,565	66,850	(14,285)	(21)	273,523	428,795	877,148	(448,353)	(51)	977,955
OTHER CONTRACTUALS AND ADJUSTMENTS	4,533,698	3,580,530	953,168	27	3,245,680	44,636,091	46,782,097	(2,146,006)	(5)	44,540,170
HOSPITALIST\PEDS CONTRACTUAL ALLOW	(48,041)	8,005	(56,046)	(700)	12,317	(40,570)	105,106	(145,676)	(139)	92,976
TOTAL ACUTE DEDUCTIONS FROM REVENUE	23,252,770	18,363,902	4,888,868	27	26,074,596	269,297,515	240,712,296	28,585,219	12	239,478,142
NET ACUTE PATIENT REVENUE	7,293,862	10,026,072	(2,732,210)	(27)	4,035,729	112,170,168	131,955,243	(19,785,075)	(15)	114,922,468
OTHER OPERATING REVENUE	2,033,054	588,965	1,444,089	245	3,316,388	15,924,011	6,962,569	8,961,442	129	10,310,105
NET ACUTE OPERATING REVENUE	9,326,915	10,615,037	(1,288,122)	(12)	7,352,116	128,094,179	138,917,812	(10,823,633)	(8)	125,232,573
OPERATING EXPENSES:										
SALARIES & WAGES	3,531,212	3,894,232	(363,021)	(9)	3,909,191	45,912,461	51,118,557	(5,206,097)	(10)	46,128,825
REGISTRY	120,992	300,000	(179,008)	(60)	499,981	3,903,612	3,600,000	303,612	8	5,326,431
EMPLOYEE BENEFITS	2,157,300	2,012,452	144,848	7	2,254,203	27,099,153	26,416,873	682,280	3	24,486,438
PROFESSIONAL FEES	1,446,497	1,596,181	(149,684)	(9)	1,508,688	20,196,809	19,420,210	776,599	4	17,314,223
SUPPLIES	701,719	1,098,183	(396,464)	(36)	1,097,378	13,108,990	14,162,756	(1,053,766)	(7)	12,881,899
PURCHASED SERVICES	913,717	1,010,959	(97,243)	(10)	1,133,006	13,348,928	12,300,014	1,048,914	9	11,803,776
RENTAL	85,951	149,373	(63,422)	(43)	79,133	1,750,896	1,792,476	(41,580)	(2)	1,693,664
DEPRECIATION & AMORT	282,030	284,998	(2,968)	(1)	276,471	3,424,172	3,419,976	4,196	0	3,268,542
INTEREST	25,444	3,750	21,694	579	101,252	299,601	45,000	254,601	566	145,721
OTHER	359,759	339,130	20,629	6	309,259	4,483,839	3,899,977	583,862	15	3,693,210
TOTAL EXPENSES	9,624,621	10,689,258	(1,064,637)	(10)	11,168,561	133,528,461	136,175,839	(2,647,378)	(2)	126,742,729
NET OPERATING INCOME (LOSS)	(297,706)	(74,221)	(223,485)	301	(3,816,445)	(5,434,282)	2,741,973	(8,176,255)	(298)	(1,510,156)

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 06/30/23

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 06/30/23	BUDGET 06/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/22	ACTUAL 06/30/23	BUDGET 06/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/22
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	1,208	10,000	(8,792)	(88)	10,363	665,411	170,000	495,411	291	164,302
PROPERTY TAX REVENUE	166,528	167,085	(557)	0	335,217	1,998,336	2,005,020	(6,684)	0	2,086,230
GO BOND PROP TAXES	164,964	164,964	0	0	287,095	1,979,570	1,979,568	2	0	2,048,091
GO BOND INT REVENUE\EXPENSE	(72,048)	(72,048)	1	0	(75,091)	(864,570)	(864,576)	6	0	(901,086)
OTHER NON-OPER REVENUE	13,916	7,866	6,050	77	8,056	(284,866)	94,392	(379,258)	(402)	171,247
OTHER NON-OPER EXPENSE	(25,582)	(28,035)	2,453	(9)	(66,920)	(391,441)	(336,420)	(55,021)	16	(432,845)
INVESTMENT INCOME	(2,456)	0	(2,456)		(17,769)	923	0	923		(29,082)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	246,529	249,832	(3,303)	(1)	480,952	3,103,362	3,047,984	55,378	2	3,106,857
NET SURPLUS (LOSS)	(51,176)	175,611	(226,787)	(129)	(3,335,493)	(2,330,920)	5,789,957	(8,120,877)	(140)	1,596,701
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HAZEL HAWKINS SKILLED NURSING FACILITIES
 HOLLISTER, CA
 FOR PERIOD 06/30/23

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 06/30/23	BUDGET 06/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/22	ACTUAL 06/30/23	BUDGET 06/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/22
GROSS SNF PATIENT REVENUE:										
ROUTINE SNF REVENUE	2,112,750	1,980,000	132,750	7	1,926,700	24,725,200	24,089,993	635,207	3	21,120,560
ANCILLARY SNF REVENUE	349,033	232,641	116,392	50	263,092	4,718,390	2,830,487	1,887,903	67	2,821,279
TOTAL GROSS SNF PATIENT REVENUE	2,461,783	2,212,641	249,142	11	2,189,792	29,443,590	26,920,480	2,523,110	9	23,941,839
DEDUCTIONS FROM REVENUE SNF:										
MEDICARE CONTRACTUAL ALLOWANCES	227,394	165,932	61,462	37	121,060	2,920,900	2,018,846	902,054	45	1,828,683
MEDI-CAL CONTRACTUAL ALLOWANCES	290,340	153,524	136,816	89	(883,810)	(430,827)	1,867,880	(2,298,707)	(123)	9,466
BAD DEBT EXPENSE	171,563	0	171,563		(20,767)	230,201	0	230,201		111,438
CHARITY CARE	1,957	0	1,957		0	11,064	0	11,064		128,708
OTHER CONTRACTUALS AND ADJUSTMENTS	5,405	44,252	(38,847)	(88)	29,129	788,407	538,406	250,001	46	390,918
TOTAL SNF DEDUCTIONS FROM REVENUE	696,658	363,708	332,950	92	(754,388)	3,519,746	4,425,132	(905,386)	(21)	2,469,214
NET SNF PATIENT REVENUE	1,765,125	1,848,933	(83,808)	(5)	2,944,180	25,923,845	22,495,348	3,428,497	15	21,472,625
OTHER OPERATING REVENUE	0	0	0	0	0	0	0	0	0	0
NET SNF OPERATING REVENUE	1,765,125	1,848,933	(83,808)	(5)	2,944,180	25,923,845	22,495,348	3,428,497	15	21,472,625
OPERATING EXPENSES:										
SALARIES & WAGES	884,726	950,580	(65,854)	(7)	926,856	10,868,537	11,565,446	(696,909)	(6)	10,643,501
REGISTRY	27,709	7,500	20,209	270	(260)	309,757	105,000	204,757	195	121,508
EMPLOYEE BENEFITS	592,915	572,626	20,289	4	856,313	7,317,610	6,967,061	350,549	5	6,905,071
PROFESSIONAL FEES	2,486	2,244	242	11	2,040	27,306	27,296	10	0	24,898
SUPPLIES	71,966	120,872	(48,907)	(41)	95,296	1,035,316	1,405,972	(370,656)	(26)	1,062,525
PURCHASED SERVICES	85,093	62,878	22,215	35	160,628	1,143,775	764,995	378,780	50	915,886
RENTAL	991	787	204	26	1,790	11,265	9,582	1,683	18	14,210
DEPRECIATION	39,194	45,000	(5,806)	(13)	39,154	473,260	522,028	(48,768)	(9)	480,554
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHER	27,820	46,856	(19,037)	(41)	54,575	620,868	570,015	50,853	9	496,934
TOTAL EXPENSES	1,732,899	1,809,343	(76,444)	(4)	2,136,391	21,807,693	21,937,395	(129,702)	(1)	20,665,087
NET OPERATING INCOME (LOSS)	32,226	39,590	(7,364)	(19)	807,789	4,116,152	557,953	3,558,199	638	807,538
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	29,387	27,426	1,961	7	54,723	352,644	329,112	23,532	7	341,449
OTHER NON-OPER EXPENSE	(7,288)	(7,288)	0	0	(8,343)	(95,892)	(95,896)	4	0	(110,151)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	22,099	20,138	1,961	10	46,380	256,752	233,216	23,536	10	231,298
NET SURPLUS (LOSS)	54,325	59,728	(5,403)	(9)	854,169	4,372,903	791,169	3,581,734	453	1,038,836

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HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 06/30/23

	CURR MONTH 06/30/23	PRIOR MONTH 05/31/23	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/22
CURRENT ASSETS					
CASH & CASH EQUIVALENT	14,441,825	14,914,309	(472,484)	(3)	16,535,802
PATIENT ACCOUNTS RECEIVABLE	51,201,316	51,852,409	(651,094)	(1)	44,152,116
BAD DEBT ALLOWANCE	(5,227,791)	(4,776,783)	(451,008)	9	(3,803,633)
CONTRACTUAL RESERVES	(29,058,974)	(29,472,131)	413,156	(1)	(26,047,965)
OTHER RECEIVABLES	4,256,813	3,287,890	968,923	30	(644,556)
INVENTORIES	2,787,687	2,791,504	(3,816)	0	3,146,162
PREPAID EXPENSES	2,252,665	1,537,548	715,118	47	926,497
DUE TO\FROM THIRD PARTIES	1,888,442	1,888,442	0	0	2,237,806
TOTAL CURRENT ASSETS	<u>42,541,983</u>	<u>42,023,188</u>	<u>518,795</u>	<u>1</u>	<u>36,502,230</u>
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	<u>4,401,862</u>	<u>6,809,148</u>	<u>(2,407,286)</u>	<u>(35)</u>	<u>4,293,140</u>
TOTAL LIMITED USE ASSETS	<u>4,401,862</u>	<u>6,809,148</u>	<u>(2,407,286)</u>	<u>(35)</u>	<u>4,293,140</u>
PROPERTY, PLANT, AND EQUIPMENT					
LAND & LAND IMPROVEMENTS	3,370,474	3,370,474	0	0	3,237,474
BLDGS & BLDG IMPROVEMENTS	99,815,395	99,815,395	0	0	97,696,774
EQUIPMENT	43,360,810	43,291,546	69,263	0	41,559,465
CONSTRUCTION IN PROGRESS	1,274,479	1,273,511	968	0	4,281,519
CAPITALIZED INTEREST	<u>11,980</u>	<u>11,980</u>	<u>0</u>	<u>0</u>	<u>2,728</u>
GROSS PROPERTY, PLANT, AND EQUIPMENT	147,833,138	147,762,906	70,231	0	146,777,961
ACCUMULATED DEPRECIATION	<u>(90,358,831)</u>	<u>(90,023,006)</u>	<u>(335,825)</u>	<u>0</u>	<u>(86,286,188)</u>
NET PROPERTY, PLANT, AND EQUIPMENT	<u>57,474,307</u>	<u>57,739,900</u>	<u>(265,594)</u>	<u>(1)</u>	<u>60,491,773</u>
OTHER ASSETS					
UNAMORTIZED LOAN COSTS	470,999	477,222	(6,223)	(1)	545,675
PENSION DEFERRED OUTFLOWS NET	<u>3,797,637</u>	<u>3,797,637</u>	<u>0</u>	<u>0</u>	<u>3,797,637</u>
TOTAL OTHER ASSETS	<u>4,268,636</u>	<u>4,274,859</u>	<u>(6,223)</u>	<u>0</u>	<u>4,343,312</u>
TOTAL UNRESTRICTED ASSETS	<u>108,686,787</u>	<u>110,847,095</u>	<u>(2,160,307)</u>	<u>(2)</u>	<u>105,630,455</u>
RESTRICTED ASSETS	<u>125,193</u>	<u>125,142</u>	<u>52</u>	<u>0</u>	<u>124,099</u>
TOTAL ASSETS	<u>108,811,981</u>	<u>110,972,236</u>	<u>(2,160,256)</u>	<u>(2)</u>	<u>105,754,553</u>

HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 06/30/23

	CURR MONTH 06/30/23	PRIOR MONTH 05/31/23	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/22
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	4,647,330	5,978,923	1,331,593	(22)	8,459,518
ACCRUED PAYROLL	2,324,681	2,007,874	(316,807)	16	2,290,604
ACCRUED PAYROLL TAXES	2,123,227	2,089,120	(34,107)	2	1,355,250
ACCRUED BENEFITS	6,051,228	6,000,874	(50,354)	1	5,252,353
ACCRUED PENSION (CURRENT)	5,061,807	4,774,369	(287,438)	6	1,580,407
OTHER ACCRUED EXPENSES	63,664	56,625	(7,038)	12	75,450
PATIENT REFUNDS PAYABLE	961	2,161	1,200	(56)	8,557
DUE TO\FROM THIRD PARTIES	4,272,080	4,701,750	429,670	(9)	4,992,143
OTHER CURRENT LIABILITIES	1,012,401	965,619	(46,782)	5	680,738
TOTAL CURRENT LIABILITIES	25,557,379	26,577,315	1,019,937	(4)	24,695,019
LONG-TERM DEBT					
LEASES PAYABLE	8,513,336	8,513,336	0	0	5,493,386
BONDS PAYABLE	34,784,361	35,927,881	1,143,520	(3)	37,661,602
TOTAL LONG TERM DEBT	43,297,698	44,441,218	1,143,520	(3)	43,154,988
OTHER LONG-TERM LIABILITIES					
DEFERRED REVENUE	0	0	0	0	0
LONG-TERM PENSION LIABILITY	14,706,676	14,706,676	0	0	14,706,676
TOTAL OTHER LONG-TERM LIABILITIES	14,706,676	14,706,676	0	0	14,706,676
TOTAL LIABILITIES	83,561,752	85,725,209	2,163,457	(3)	82,556,683
NET ASSETS:					
UNRESTRICTED FUND BALANCE	23,048,772	23,048,772	0	0	23,048,772
RESTRICTED FUND BALANCE	165,193	165,142	(52)	0	149,099
NET REVENUE/(EXPENSES)	2,036,263	2,033,114	(3,149)	0	0
TOTAL NET ASSETS	25,250,228	25,247,028	(3,201)	0	23,197,871
TOTAL LIABILITIES AND NET ASSETS	108,811,981	110,972,236	2,160,256	(2)	105,754,553

Description	Target	MTD Actual	YTD Actual	YTD Target
Average Daily Census - Acute	17.83	13.03	17.32	20.79
Average Daily Census - SNF	88.00	93.63	90.11	88.00
Acute Length of Stay	2.99	2.64	2.97	3.33
ER Visits:				
Inpatient	139	114.00	1,673	1,781
Outpatient	1,670	1,996	23,459	21,529
Total	1,809	2,110	25,132	23,310
Days in Accounts Receivable	45.0	46.3	46.3	45.0
Productive Full-Time Equivalents	529.11	462.28	501.97	529.11
Net Patient Revenue	11,875,005	9,058,987	138,094,013	154,450,591
Payment-to-Charge Ratio	38.8%	27.4%	33.6%	38.7%
Medicare Traditional Payor Mix	30.87%	30.32%	30.14%	30.06%
Commercial Payor Mix	21.89%	23.04%	21.94%	24.40%
Bad Debt % of Gross Revenue	0.96%	2.00%	1.15%	0.96%
EBIDA	507,743	264,327	5,307,829	9,840,442
EBIDA %	4.07%	2.38%	3.45%	6.10%
Operating Margin	-0.28%	-2.39%	-0.86%	2.04%
Salaries, Wages, Registry & Benefits %: by Net Operating Revenue	62.08%	65.95%	61.95%	61.81%
by Total Operating Expense	61.91%	64.41%	61.42%	63.10%
Bond Covenants:				
Debt Service Ratio	1.25	2.81	2.81	1.25
Current Ratio	1.50	1.66	1.66	1.50
Days Cash on hand	30.00	34.71	34.71	30.00
Met or Exceeded Target				
Within 10% of Target				
Not Within 10%				

Statement of Cash Flows
Hazel Hawkins Memorial Hospital
Hollister, CA
Twelve months ending June 30, 2023

	CASH FLOW		COMMENTS
	Current Month 6/30/2023	Current Year-To-Date 6/30/2023	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$3,149	\$2,038,063	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	335,827	4,071,334	
(Increase)/Decrease in Net Patient Accounts Receivable	688,944	(2,614,033)	
(Increase)/Decrease in Other Receivables	(968,923)	(4,901,369)	
(Increase)/Decrease in Inventories	3,816	358,475	
(Increase)/Decrease in Pre-Paid Expenses	(715,118)	(1,326,169)	
(Increase)/Decrease in Due From Third Parties	0	349,364	
Increase/(Decrease) in Accounts Payable	(1,331,593)	(3,812,187)	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	688,706	5,081,565	
Increase/(Decrease) in Accrued Expenses	7,038	(11,790)	
Increase/(Decrease) in Patient Refunds Payable	(1,200)	(7,596)	
Increase/(Decrease) in Third Party Advances/Liabilities	(429,670)	(720,062)	
Increase/(Decrease) in Other Current Liabilities	46,782	331,665	Semi-Annual Interest - 2021 Insured Revenue Bonds
Net Cash Provided by Operating Activities:	(1,675,391)	(3,200,803)	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(70,231)	(1,055,172)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	2,407,286	(108,722)	Bond Principal & Int Payment - 2014 & 2021 Bonds
(Increase)/Decrease in Other Assets	6,223	74,676	Amortization
Net Cash Used by Investing Activities	2,343,278	(1,089,218)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Bond/Mortgage Debt	0	3,019,951	Refinancing of 2013 Bonds with 2021 Bonds
Increase/(Decrease) in Capital Lease Debt	(1,143,520)	(2,876,970)	
Increase/(Decrease) in Other Long Term Liabilities	0	0	
Net Cash Used for Financing Activities	(1,143,520)	142,981	
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	15,000	
Net Increase/(Decrease) in Cash	(472,484)	(2,093,977)	
Cash, Beginning of Period	14,914,309	16,535,802	
Cash, End of Period	\$14,441,825	\$14,441,825	\$0

Cost per day to run the District

\$416,111

Operational Days Cash on Hand

34.71

Hazel Hawkins Memorial Hospital
 Bad Debt Expense
 For the Year Ending June 30, 2023

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total		
Budgeted Gross Revenue	30,736,294	33,713,261	33,688,496	34,057,045	33,125,250	36,331,595	36,576,317	31,661,878	36,697,195	30,954,767	31,443,265	30,602,610	399,587,973		
Budgeted Bad Debt Expense	293,579	324,237	324,633	327,729	318,825	351,198	353,536	305,275	355,128	296,590	300,820	293,015	3,844,565		
BD Exp as a percent of Gross Revenue	0.96%	0.96%	0.96%	0.96%	0.96%	0.97%	0.97%	0.96%	0.97%	0.96%	0.96%	0.96%	0.96%		
Actual Gross Revenue	32,232,911	36,024,541	33,649,532	33,258,194	33,453,882	35,593,844	34,251,125	31,419,808	36,834,958	34,216,723	34,452,326	32,844,231	408,232,075		
Actual Bad Debt Expense	233,530	316,245	344,314	535,036	299,055	633,010	128,865	523,765	338,923	467,979	216,052	671,141	4,707,915		
BD Exp as a percent of Gross Revenue	0.72%	0.88%	1.02%	1.61%	0.89%	1.78%	0.38%	1.7%	0.9%	1.4%	0.6%	2.0%	1.15%		
Budgeted YTD BD Exp	3,844,563	0.96%													
Actual YTD BD Exp	4,707,915	1.15%													
													YTD Charity Exp Budget	877,148	
													YTD Charity Exp Actual	439,859	
Amount under (over) budget	(863,352)	-0.19%													
														Amt under (over) budget	437,289
Prior Year percent of Gross Revenue	0.92%													Charity Exp % of Gross Rev	0.11%
Percent of Decrease (Inc) from Prior Year	-25.4%														

RESOLUTION NO. 2023-30

OF THE BOARD OF DIRECTORS OF
SAN BENITO HEALTH CARE DISTRICT

APPROVING AND ADOPTING A MEMORANDUM OF UNDERSTANDING
WITH THE ENGINEERS AND SCIENTISTS OF CALIFORNIA, LOCAL 20,
IFPTE (AFL-CIO & CLC)

WHEREAS, the San Benito Health Care District (“District”), acting through its appointed negotiation team, and representatives of the Engineers and Scientists of California, Local 20, IFPTE (AFL-CIO & CLC) (“ESC”), a duly recognized employee organization representing certain regular part-time and regular full-time Clinical Laboratory Scientists and Medical Laboratory Technicians, excluding all temporary employees serving in the classifications of Clinical Laboratory Scientists and Medical Laboratory Technicians, management, confidential, supervisory, and all other District employees, met and conferred in good faith and fully communicated and exchanged information concerning wages, hours, and the terms and conditions of employment for contract years January 1, 2022 – December 31, 2025;

WHEREAS, the District and ESC negotiated Tentative Agreements in October 21, 2022; however, the District Board declared a fiscal emergency on November 4, 2022;

WHEREAS, in light of the District’s fiscal emergency, the District’s Board did not approve the Tentative Agreements;

WHEREAS, on May 23, 2023, the District filed for bankruptcy under chapter 9 of title 11 of the United States Code;

WHEREAS, the District and ESC have agreed upon modifications to the existing Memorandum of Understanding with Hazel Hawkins Memorial Hospital (“MOU”) in connection with the currently-pending bankruptcy case;

WHEREAS, on July 3, 2023, the employees represented by ESC voted to ratify the proposed changes to the MOU, as set forth in the District’s Proposal to ESC, attached hereto as Exhibit A;

WHEREAS, the District Board of Directors (“Board”) has been presented with the District’s Proposal; and

WHEREAS, the Board has reviewed and evaluated the District’s Proposal and authorizes the District to approve and adopt the MOU containing the District Proposal, and authorizes the District Administration to take all steps to execute the necessary documents.

NOW, THEREFORE, BE IT RESOLVED

1. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.
2. The Board has hereby approved the District’s Proposal, attached as Exhibit A, for incorporation into the MOU for the period of January 1, 2022 – December 31, 2025.
3. The District Administration is directed to take any and all actions, including executing relevant documents, to carry out the intent of this Resolution.
4. This Resolution shall take effect immediately upon its adoption.

Dated: _____, 2023

AYES: ____
NOS: ____
ABSENTIONS: ____
ABSENT: ____

Board Member
San Benito Health Care District

**DISTRICT PROPOSAL TO ENGINEERS AND SCIENTISTS OF CALIFORNIA,
LOCAL 20, IFPTE (AFL-CIO & CLC)**

June 15, 2023

This document constitutes the proposal (the “Proposal”) of the San Benito Health Care District (the “District”) to modify certain benefits currently provided under the District’s agreement (the “Agreement”) with this bargaining unit. As set forth more fully below, the Proposal outlines current, select benefits the District is obligated to provide under the Agreement and the District’s proposed modification of such benefits.

The Proposal is provided in connection with the District’s currently-pending bankruptcy case (the “Bankruptcy Case”) filed under chapter 9 of title 11 of the United States Code (the “Bankruptcy Code”). As the District informed you in January 2023, the District is experiencing serious financial challenges, which includes benefits offerings that are both above-market and inconsistent with the District’s financial ability to sustain.

On May 22, 2023, the District’s board authorized the District to commence the Bankruptcy Case and approved a “Pendency Plan” outlining the immediate measures the District was required to implement to stabilize its cash flow during the pendency of the Bankruptcy Case. The Pendency Plan required the District to make certain unilateral benefits modifications that are inconsistent with the current Agreement. The District is authorized to make these unilateral changes under the Bankruptcy Code and United States Supreme Court case law interpreting the same. *See N.L.R.B. v. Bildisco & Bildisco*, 465 U.S. 513, 517 (1984) (“[A] debtor-in-possession does not commit an unfair labor practice when, after the filing of a bankruptcy petition but before court-approved rejection of the collective bargaining agreement, it unilaterally modifies or terminates one or more provisions of the agreement.”). The District is providing separate notices to you of certain benefits changes that will take effect as of July 1, 2023 and will provide further notices concerning the same as the District implements the Pendency Plan. These unilateral modifications should not be viewed as temporary measures to stabilize the District’s cash flow and not a permanent solution to the savings from benefits costs required by the District.

On June 13, 2023, the District filed a motion [Docket No. 44] to reject the Agreement. The motion was filed after the District was unable to come to a consensual resolution with this bargaining unit to benefits changes required for the District to establish financial stability while remaining a competitive employer. If the motion is granted, the District will no longer be obligated to comply with the Agreement and may permanently impose benefits modifications as necessary without respect to the requirements of the Agreement.

Alternatively, and preferably, the District would like to negotiate amendments to the Agreement that modify benefits obligations in a sustainable manner and continue its relationship with this bargaining unit under an amended Agreement. The Proposal is a continuation of the District’s

pre-bankruptcy efforts to attain such a consensual resolution in advance of the Court’s ruling on the motion. However, given the District’s finances, the District cannot delay negotiations any further and must come to an agreement promptly to avoid rejection of the Agreement.

We look forward to substantive and fruitful discussions concerning the Proposal and remain prepared to answer any questions.

A. Combine All Leave Benefits Into a Single Paid Leave Category and Cap Annual Accrual at 30 Days

Current benefit:

Vacation and Holiday

ESC Represented Employees accrue both vacation and holiday leave. Vacation accrual is based on seniority as follows:

Years of Service	Vacation Days Accrued Per Year
1	10
2	11
3	12
4	13
5	15
6	17
7	18
8	19
9	20
10	22
20	23

ESC Represented Employees are entitled to 9 paid holidays per year. The District is required to pay ESC Represented Employees 100% of the value of paid holidays earned and unused in excess of a 40-hour cap.

Based on the foregoing, the combined vacation and holiday accruals for ESC Represented Employees is as follows based on seniority:

ESC Combined Leave Accrual

Years of Service	Combined Leave Days (Vacation & Holiday) Accrued Per Year
1	19
2	20
3	21
4	22
5	24
6	26
7	27
8	28
9	29
10	31
20	32

Represented Employees earn sick leave at the rate of one day per calendar month, e.g., **12 days per year, up to a total of 80 days, e.g., 640 hours**. ESC Represented Employees are not entitled to earn sick leave in excess of the 640-hour cap.

Proposed changes:

The District proposes to combine all paid leave—vacation, holiday, PTO, and sick leave—into a single paid category with accrual rates based on seniority. The combined paid leave category would be capped at total annual accrual of 30 days based upon seniority with a maximum cap of 40 days (320 hours) as follows:

Years of Service	Combined Leave Benefits Accrued Per Year
1	20
2	21
3	22
4	23
5	30
6	30
7	30
8	30
9	30
10	30
20	30

Current accrued sick leave will remain available to be used by the employees as sick leave. It cannot be cashed out and will not be paid out upon termination of employment.

B. Annual Accrual and “Cash Out” of Leave Benefits

The District proposes capping accrual of the combined paid leave category to 40 days, e.g., 320 hours, and providing that the District will not pay accrued amounts in excess of the maximum accrual amount and not allowing any cash out except as stated below. The District’s historical liabilities related to leave accrual and “cash out” has been significant. By way of example, in July 2022, the District paid over \$500,000 to employees on account of unexpended sick, holiday, and vacation days. These payments cause substantial uncertainty and inconsistency in the District’s cash flow.

All accrued and unused vacation pay will be considered the employee’s “Legacy Vacation”. When the employee leaves their employment, any unused and accrued Legacy Vacation and PTO will be paid out. The employee can also cash out their Legacy Vacation on the following circumstances:

1. By November 1st of each year, the District will announce the amount of days of Legacy Vacation available to cash out. The District will make this determination based upon the financial needs of the District.

2. Each employee must elect the number of days available to cash out by December 1st and the District will pay out the designated days no later than the last pay period in January.

C. Standby Compensation

Current Standby:

ESC Represented Employees who are placed on standby duty beyond his or her regularly scheduled work day or work week are compensated for such standby time at **one-half (1/2) times the Represented Employee’s straight time hourly rate**. See ESC Agmt., Art. 12 § 1.B. at 12.

Proposal:

The District proposes modifying Standby Compensation to the California Minimum Wage. If called in to work while on standby, the Standby Compensation will cease and will not be added to the hourly compensation paid for the hours worked.

D. Education Benefits

Current Education Benefit:

ESC Represented Employees in all full-time and part-time positions are eligible to receive 30 hours of educational leave on July 1 of each two year licensing cycle to attend classes/courses for the Represented Employee to maintain their license, e.g., **15 hours per year**. See ESC Agmt.,

Art. 31 at 44. Education leave for regular part-time Represented Employees is be prorated based upon their full-time equivalent status.

Proposal:

The District proposes modifying Education Leave to offer the number of hours necessary to renew the employee’s required licensure. The hours will be available for two years and renewed every two years. Any unused hours will be forfeited at the end of the two year period.

E. The Defined Benefit Plan

The District proposes freezing the Defined Benefit Plan with respect to going-forward participation. The District will discontinue employer contributions on account of going-forward current liabilities. However, the District will continue to fund actuarially determined long-term liabilities of the Defined Benefit Plan to ensure current Defined Benefit Plan participants’ current liabilities can be satisfied under the plan dependent upon financial viability.

F. The Health Plan

Current Health Plan:

The District provides health benefits to Represented Employees through a self-funded plan financed by the District’s operations (the “Health Plan”). Under the Health Plan, the District collects premiums from enrollees and takes on the responsibility of paying employees’ and dependents’ medical claims. Accordingly, the District currently bears the risk of payment for its members’ medical claims.

ESC Represented Employees participating in the Health Plan pay the following monthly premiums per insured individual per month:

<u>Plan</u>	<u>Monthly Premium per Insured</u>
Full Time Employee – Family Plan	\$90
Full Time Employee – Single Plan	\$15
Part Time Employee – Family Plan	\$135
Part Time Employee – Single Plan	\$76.25

District Proposal:

New Proposal as to Premiums, Plan Deductibles, Out-of-Pocket, and CoPays:

The District has investigated whether a commercial plan could be obtained which would replace the current self-insured plan. However due to the utilization pattern of use by the District’s employees, we could not find a commercial plan that was willing to give us a proposal. The District still intends to transition to a commercial plan and any amended agreement must provide for such transition.

However, in the interim, the District is required to modify its current self-insured plan. We have therefore modified our last proposal as follows:

Current Services				Proposed Changes		
	EPO Network Tier 1 San Benito, Hazel Hawkins, Salinas Valley Memorial	PPO Network Tier 2 Anthem	Non-Network Tier 3 Includes: CHOMP, Sutter Facilites and Physicians	EPO Network Tier 1 San Benito, Hazel Hawkins, Salinas Valley Memorial	PPO Network Tier 2 Anthem	Non-Network Tier 3 Includes: CHOMP, Sutter Facilites and Physicians
Deductible-Embedded				Deductible-Embedded		
Individual	\$0.00	\$250.00	\$750.00	\$250.00	\$500.00	\$1,000.00
Family Unit	\$0.00	\$1,000.00	\$3,000.00	\$500.00	\$1,500.00	\$3,000.00
Out of Pocket-Embedded				Out of Pocket-Embedded		
Individual	\$500.00	\$1,000.00	\$1,500.00	\$750.00	\$1,500.00	\$2,500.00
Family Unit	\$1,000.00	\$1,500.00	\$4,500.00	\$1,500.00	\$4,500.00	\$7,000.00
Emergency Room Facility Charge Waived if Admitted	\$25 copay	\$25 copay plus 40% coinsurance deductible waived	\$25 copay plus 40% coinsurance deductible waived	\$100 copay	\$100 copay plus 20% coinsurance deductible waived	\$100 copay plus 40% coinsurance deductible waived
Physician Services				Physician Services		
Office Visit-Primary Care (PCP)	\$10 copay	20% after deductible	40% after deductible	\$10 copay	20% after deductible	40% after deductible
Office Visit-Specialist	\$10 copay	20% after deductible	40% after deductible	\$25 copay	20% after deductible	40% after deductible
Office Surgery	\$10 copay	20% after deductible	40% after deductible	\$25 copay	20% after deductible	40% after deductible
Urgent Care Physician Visit	\$10 copay	20% after deductible	40% after deductible	\$25 copay	20% after deductible	40% after deductible
Telemedicine		\$10			\$25 copay	
Plan Pays (unless otherwise stated)	EMP 100%	EMP 80% / EE 20%	EMP 60% / EE 40%			
EMP = Employer						
EE = Employee						

The new proposal as to premiums is as follows:

Covered	Full Time (Per Pay Period)	Part Time (Per Pay Period)
Employee Only	\$92.31	\$115.38
Employee +1	\$138.46	\$161.54
Employee +2	\$161.54	\$184.62
Employee +3 or more	\$184.62	\$207.69

Rates Include Vision & Dental

We anticipate having a new enrollment period in July with implementation of the new plan in August.

F. Wages

In light of the concessions requested by this proposal, the District is willing to consider a wage increase.

First Year of the Memorandum:

Effective as of the beginning of the first full pay period in January 2022, the Hospital agrees to pay a 2% increase to the salary schedule for all employees

Effective the First payroll cycle of July 2022, the Hospital agrees to pay a 2% increase to the salary schedule for all employees.

Second Year of the Memorandum

Effective as of the beginning of the first full pay period in January 2023, the Hospital agrees to provide a 3.0% to the salary schedule for all employees.

Third Year of the Memorandum

Effective as of the beginning of the first full pay period January 2024, the Hospital agrees to provide a 3.0% to the salary schedule for all employees.

Fourth Year of the Memorandum

Effective as of the beginning of the first full pay period in January 2025, the Hospital agrees to provide a 3.0% to the salary schedule for all employees.

Successor Protection

The District agrees that, if at any time during the life of this Agreement it were to sell, lease, merge, transfer, or otherwise dispose of all or a substantial portion of its business, it will notify the Union immediately and provide the Union with the new employer's or entity's name, address and designated representative. Prior to the Sale, merger or transfer, the District shall inform the prospective acquiring entity of the existence of this Agreement and of its terms and conditions, and shall require that the new employer recognize the Union as the collective bargaining representative.

RESOLUTION NO. 2023-31

OF THE BOARD OF DIRECTORS OF
SAN BENITO HEALTH CARE DISTRICT

AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE COUNTY
OF SAN BENITO FOR TEMPORARY TRANSFER OF FUNDS UNDER
ARTICLE XVI, SECTION 6 OF THE STATE CONSTITUTION

WHEREAS, the San Benito Health Care District (“District”) is a local health care district organized under the terms of the Local Health Care District Law (Health and Safety Code of the State of California, Division 23, Sections 32000-32492);

WHEREAS, the District operates certain health care facilities in the County of San Benito, California (“County”) including Hazel Hawkins Memorial Hospital, a full service, 25-bed not-for-profit hospital, which offers a full range of inpatient and outpatient services that include emergency services, stroke care, surgical services, radiology and diagnostic imaging services, laboratory services, palliative care, physical, speech and occupational therapy, respiratory care, and a new modern birthing center;

WHEREAS, the District also operates two skilled nursing facilities, five rural health clinics, two community health clinics, and two satellite lab/draw stations;

WHEREAS, through its facilities, the District is the sole provider of certain health care services in the County, including the emergency and related hospital services provided at Hazel Hawkins;

WHEREAS, the District has responsibly and proactively managed its limited finances in order to operate its facilities, including the continued provision of excellent, high quality patient care without compromise to patient safety, despite a sustained reduction in net revenue;

WHEREAS, on November 4, 2022, the District Board of Directors passed Resolution 2022-21, declaring a fiscal emergency;

WHEREAS, on May 22, 2023, the District Board of Directors passed Resolution 2023-27, granting authority to file a chapter 9 bankruptcy petition;

WHEREAS, the District is experiencing a financial hardship and has insufficient funds on hand to provide for the current cash flow needs for operation of the District during the 2023/24 fiscal year, and

WHEREAS, the County collects property taxes on behalf of the District;

WHEREAS, Article XVI, Section 6 of the State Constitution authorizes a temporary transfer of funds in the custody of the County Treasurer upon approval of the County Board of Supervisors, and

WHEREAS, the County previously approved a temporary transfer of funds to the District for fiscal year 2022/2023;

WHEREAS, the County has estimated that 85% of the property tax revenues to the District for the coming fiscal year, 2023/24, is approximately \$2,349,712.73;

WHEREAS, the District Board of Directors now desires the County authorize such fund transfer as allowed under Article XVI, under Section 6 of the State Constitution, and authorizes the Interim Chief Executive Officer or designee to execute an agreement with the County for the temporary transfer of funds.

NOW, THEREFORE, BE IT RESOLVED

1. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.
2. The Board hereby authorizes the District to enter into an agreement with the County of San Benito for the temporary transfer of funds Article XVI, Section 6 of the State Constitution.
3. The Board authorizes the Interim Chief Executive Officer or designee to take any and all actions, including executing relevant documents, to carry out the intent of this Resolution.
4. This Resolution shall take effect immediately upon its adoption.

Dated: _____, 2023

AYES: ____
NOS: ____
ABSENTIONS: ____
ABSENT: ____

Board Member
San Benito Health Care District