



**REGULAR MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, JULY 25, 2024 – 5:00 P.M.
SUPPORT SERVICES BUILDING, 2nd-FLOOR, GREAT ROOM
IN PERSON AND BY VIDEO CONFERENCE**

TELECONFERENCE LOCATION:¹

38088 Road 222
Wishon Cove, CA 93669

*Members of the public may participate remotely via zoom at the following link <https://zoom.us/join>
with the following Webinar ID and Password:*

Meeting ID 996 4925 2489

Security Passcode: 287243

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.

AGENDA

1. Call to Order / Roll Call

Presented By:

(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.

¹Note: Pursuant to Government Code Section 54953(b), this meeting will include teleconference participation by Director Hernandez from the address above. This Notice and Agenda will be posted at the teleconference location

4. Consent Agenda – General Business

(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 Minutes of the Regular Meeting of the Board of Directors – June 27, 2024. (Pages 1-5)

B. Consider and Approve Telemetry Medical Surgical Policy (Pages 6-9)

C. Receive Officer/Director Written Reports - No action required. (Pages 10-22)

- Provider Services & Clinic Operations
- Skilled Nursing Facilities Reports (Mabie Southside/Northside)
- Laboratory and Radiology
- Foundation Report
- PMO Project Summary Report
- HR Turnover Report

Recommended Action: Approval of Consent Agenda Items (A) through (C).

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

5. Medical Executive Committee****Provided at the meeting****

(Dr. Bogey)

A. Consider and Approve Medical Staff Credentials: July 24, 2024

Recommended Action: Approval of Credentials

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

B. Consider and Approve Medical Staff Conflict of Interest Policy

(Dr. Bogey)

Recommended Action: Approval of Policy

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

6. Receive Informational Reports

A. Chief Executive Officer (Verbal Report)

(Casillas)

- ▶ Public Comment

¹Note: Pursuant to Government Code Section 54953(b), this meeting will include teleconference participation by Director Hernandez from the address above. This Notice and Agenda will be posted at the teleconference location

- B. Chief Nursing Officer (Pages 23-24) (Descent)
 ► Public Comment
- C. Finance Committee (Pages 25-52) (Casillas)
- (i) Finance Committee Meeting Minutes – July 18, 2024 (Pages 25-26)
- (ii) Review Financial Updates
- Financial Statements – June 2024
 - Finance Dashboard – June 2024
 - Supplemental Payments – June 2024
 - DHLP- SBHCD Loan
- Public Comment

7. Action Item

- A. Consider Approval of Resolution 2024-02 Approving Terms for a Lease, with Option (Peil & Miller)
to Purchase, of the District's assets with Insight Foundation of America.

Recommended Action: Approve Resolution 2024-02 (Pages 53-69)

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

- B. Consider Approval of Resolution 2024-03 Ordering an Election on a Ballot Measure (Casillas)
Proposing the Transfer of Fifty Percent Or More of the District assets, for the Election
of Certain Officers, Requesting County Elections to Conduct the Election and Requesting
Consolidation of the Election

Recommended Action: Approval of Resolution 2024-03 (Pages 70-74)

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

- C. Consider Recommendation for Board Approval of Professional Services Agreement (Breen-Lema)
with Letitia Bradford, M.D. for a Two-Year Term (Pages 75-83)

Recommended Action: Approve Letitia Bradford, M.D. Professional Services Agreement

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

¹Note: Pursuant to Government Code Section 54953(b), this meeting will include teleconference participation by Director Hernandez from the address above. This Notice and Agenda will be posted at the teleconference location

8. Adjournment

(Hernandez)

The next Regular Meeting of the Board of Directors is scheduled for Thursday, August 22, 2024 at 5:00 p.m., Great Room.

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.

¹Note: Pursuant to Government Code Section 54953(b), this meeting will include teleconference participation by Director Hernandez from the address above. This Notice and Agenda will be posted at the teleconference location



**REGULAR MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
SUPPORT SERVICES BUILDING, 2ND-FLOOR, GREAT ROOM
IN PERSON AND BY VIDEO CONFERENCE**

THURSDAY, JUNE 27, 2024

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

Also Present

Mary Casillas, Chief Executive Officer
Mark Robinson, Chief Financial Officer
Karen Descent, Interim Chief Nursing Officer
Amy Breen-Lema, VP, Clinic Ambulatory & Physician Services
Michael Bogey, MD, Chief of Staff
Heidi A. Quinn, District Legal Counsel
Suzie Mays, Director Project Management Office

1. Call to Order

Attendance was taken by roll call; Directors Hernandez, Johnson, Pack, and Sanchez were present; Director Shelton was absent.

A quorum was present and Director Hernandez called the meeting to order at 5:00 p.m.

2. Board Announcements:

Director Hernandez noted:

- Board Agenda Action Item #7.D. - “Consider Recommendation for Board Approval of 401 (a) Pension Plan” will be deferred.
- Consent Agenda Item #4.A. – May 23, 2024 Minutes for Item #6.A. Consider and Approve Medical Staff Credentials Report – Under Motion Change “Second by Director Sanchez” to “Second by Director Hernandez.”

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. Consider and Approve Minutes of the Regular Meeting of the Board of Directors – May 23, 2024
- B. Consider and Approve Minutes of the Special Board of Directors Meeting – May 20, 2024
- C. Consider and Approve Minutes of the Special Board of Directors Meeting June 5, 2024
- D. Consider and Approve Policies:
 - Telemetry Medical Surgical
- E. Consider and Approve Privileges (Revised):
 - Orthopedic Surgery
 - General Surgery
 - Podiatry
- F. Receive Officer/Director Written Reports - No action required.
 - Provider Services & Clinic Operations
 - Skilled Nursing Facilities Reports (Mabie Southside/Northside)
 - Laboratory and Radiology
 - Foundation Report
 - Marketing Report
 - PMO Project Summary Report

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

MOTION: By Director Sanchez to approve Consent Agenda – General Business, Items A – F, with the following changes: (1) Amend Item 4.A. Minutes of May 23, 2024 as noted; and (2) Defer Item 4.D. Telemetry Medical Surgical Policy to the August meeting; Second by Director Johnson.

Moved/Seconded/ Carried. Ayes: Directors Hernandez, Johnson, Pack, and Sanchez. Approved 4-0 by roll call; Director Shelton absent.

5. **Medical Executive Committee Meeting**

A. **Consider and Approve Medical Staff Credentials Reports:**

Dr. Bogey, Chief of Staff, provided a review of the Medical Executive Committee Credentials report dated June 26, 2024.

An opportunity was provided for public comment and individuals were given three minutes to address the Board Members and Administration. There was no public comment.

MOTION: By Director Pack to approve the Credentials Reports as presented; Second by Director Hernandez.

Moved/Seconded/ Carried: Ayes: Directors Hernandez, Johnson, Pack, and Sanchez. Approved 4-0 by roll call; Director Shelton absent.

B. Consider and Approve Revised CRNA Privileges

Dr. Bogey provided a review of the proposed revised CRNA Privileges.

An opportunity was provided for public comment and individuals were given three minutes to address the Board Members and Administration. There was no public comment.

MOTION: By Director Pack to approve Revised CRNA Privileges as presented; Second by Director Hernandez.

Moved/Seconded/ Carried: Ayes: Directors Hernandez, Johnson, Pack, and Sanchez. Approved 4-0 by roll call; Director Shelton absent.

6. Receive Informational Reports

A. Insight Transaction Update

Richard Peil, Senior Managing Director of B. Riley Advisory Services, and Robert Miller, Legal Counsel of Hooper, Lundy & Bookman, provided an update regarding the proposed Insight.

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

B. Chief Executive Officer

Mary Casillas provided highlights of the Chief Executive Officer Report, which was included in the Board packet.

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

C. Chief Nursing Officer

Karen Descent, Interim Chief Nursing Officer, provided highlights of the Chief Nursing Officer Report, which is included in the Board packet.

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

D. Finance Committee

1. Finance Committee Meeting Minutes – June 20, 2024
2. Review Financial Updates

- Financial Statements – May 2024
- Finance Dashboard – May 2024
- Supplemental Payments – May 2024

Mark Robinson, CFO, provided a review of the financial statements, dashboard, and supplemental payments included in the Board packet.

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

7. **Action Items**

A. **Consider Recommendation for Board Approval of Telemetry Service Agreement with Hicuity Health, Inc. for Three Years**

Karen Descent, Interim CNO, provided a review of the Telemetry Service Agreement with Hicuity Health, Inc., which was included in the packet. Questions from the Board were answered.

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

MOTION: By Director Pack to approve Telemetry Services Agreement with Hicuity Health, Inc. for Three Years; Second by Director Johnson.

Moved/Seconded/ Carried: Ayes: Directors Hernandez, Johnson, Pack, and Sanchez. Approved 4-0 by roll call; Director Shelton absent.

B. **Consider Recommendation for Board Approval of Revisions to District Board Approval Policy**

Mark Robinson, CFO, provided a review of the proposed revisions to the District Board Approval Policy, which was included in the packet. Questions from the Board were answered.

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

MOTION: By Director Johnson to approve the District Board Approval Policy as presented; Second by Director Sanchez.

Moved/Seconded/ Carried: Ayes: Directors Hernandez, Johnson, Pack, and Sanchez. Approved 4-0 by roll call; Director Shelton absent.

C. **Consider Recommendation for Board Approval of Kerri King, Ph.D. Professional Services Agreement**

Mark Robinson, CFO, provided a review of the Professional Services Agreement for Kerri King, Ph.D., which was included in the packet. Questions from the Board were answered.

An opportunity was provided for public comment and individuals were given three minutes to address the Board Member and Administration. There was no public comment.

MOTION: By Director Sanchez to approve the Professional Services Agreement with Kerri King, Ph.D. as presented; Second by Director Hernandez.

Moved/Seconded/ Carried: Ayes: Directors Hernandez, Johnson, Pack, and Sanchez. Approved 4-0 by roll call; Director Shelton absent.

D. Consider Recommendation for Board Approval of 401 (a) Pension Plan – Deferred.

E. Consider Recommendation for Board Approval of FYE 06/30/25 Operating and Capital Budgets

Mark Robinson, CFO, provided a review of the FYE 6/30/25 Operating and Capital Budgets, which were included in the packet. Questions from the Board were answered.

An opportunity was provided for public comment and individuals were given three minutes to address the Board Member and Administration. There was no public comment.

MOTION: By Director Johnson to approve the FYE 6/30/25 Operating and Capital Budgets as presented; Second by Director Hernandez.

Moved/Seconded/ Carried: Ayes: Directors Hernandez, Johnson, Pack, and Sanchez. Approved 4-0 by roll call; Director Shelton absent.

8. **Public Comment**

An opportunity was provided for public comment and individuals were given three minutes to address the Board Member and Administration. There was no public comment.

9. **Closed Session**

Director Hernandez announced items to be discussed in Closed Session as listed on the posted Agenda: Conference with Legal Counsel-Existing Litigation, Government Code §54956.9(d)(1); Conference with Labor Negotiator, Government Code §54957.6; and Hearings/Reports, Government Code §37624.3 & Health and Safety Code §§1461, 32155.

The meeting was recessed into Closed Session at 7:39 p.m.

The Board completed its business of the Closed Session.

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

The Board of Directors reconvened into Open Session. District Counsel Heidi Quinn reported that in Closed Session, the Board discussed Conference with Legal Counsel-Existing Litigation, Government Code §54956.9(d)(1); Conference with Labor Negotiator, Government Code §54957.6; and Hearings/Reports, Government Code §37624.3 & Health and Safety Code §§1461, 32155. An update was provided but there was no reportable action taken by the Board in Closed Session.

11. **Adjournment:** There being no further regular business or actions, the meeting was adjourned at 8:30 p.m.

The next Regular Meeting of the Board of Directors is scheduled for Thursday, July 25, 2024 at 5:00 p.m.

Telemetry Medical Surgical

Disclaimer

PDF DISCLAIMER LEGAL NOTICE: This PDF was requested on 6/14/2024 and will be made available in the Lucidoc application until midnight on the requested day. PDFs should not be used as official documentation. Contents of official documents are subject to change without notice. Lucidoc makes no representation or warranty whatsoever regarding the completeness, accuracy, "up-to-dateness", or adequacy of the information or materials contained herein. Please refer to Lucidoc for the most up to date information.

CONFIDENTIALITY LEGAL NOTICE: This PDF may contain confidential information and is intended solely for the addressee. The information may also be legally privileged. This transmission is sent in trust, for the sole purpose of delivery to the intended recipient. If you have received this transmission in error, any use, reproduction, or dissemination of this transmission is strictly prohibited. If you are not the intended recipient, please immediately notify the sender and permanently delete this file.

Revision Insight

Document ID:	11143
Revision Number:	3
Owner:	Toshi Matsui, Policy & Procedure Administrator
Revision Official Date:	No revision official date

Revision Note:
Removed references to "Telemetry Technician" from policy.

Policy : Telemetry Medical Surgical

PURPOSE

To implement continuous best practice standards of ECG monitoring of life threatening cardiac rhythm changes and to facilitate early therapeutic interventions and nursing responsibilities when undergoing telemetry monitoring on the Medical/Surgical floor via centralized station in Intensive Care.

POLICY

1. Patient requiring cardiac monitoring by telemetry may be admitted or transferred to the Medical/Surgical floor upon order by their physician.
2. The nursing care of such patients must otherwise be consistent with Nursing Standards of Care and expectations of the Medical/Surgical nursing staff.
3. Patients not fitting these expectations include, but are not limited to, the following: patients on parenteral antidysrhythmics, nitrates, or vaso-active medications, patient who are critically ill, and patients whose medical therapy require frequent monitoring and titration of medications.
4. The Medical/Surgical nursing staff will have primary nursing care responsibility and will receive feedback on rhythm analysis from Intensive Care nursing staff every twelve hours and/or if there is any significant rhythm change.
5. Intensive Care nursing staff will call medical surgical floor to inform primary nurse or charge nurse every time a patient is off the telemetry monitor and for any changes in cardiac rate or rhythm demonstrated and analyzed on central cardiac monitor. Primary nurse will call Intensive Care to verify patient is back on telemetry monitor and confirm current rate of rhythm.
6. For any patient on telemetry that develops life threatening rhythm disturbances (ie: V-tach; V-Fib, symptomatic bradycardia) Code Blue will be called. Code team will go to Medical Surgical floor for Code Blue and primary nurse will be present to assist with pertinent information on patient.

DEFINITIONS

1. **Cardiac Telemetry** defined as a monitoring system attached to the patient which uses a wireless network to transmit ECG data continuous to a centralized monitor location. Patients on MedSurg unit wearing telemetry unit are monitored in Intensive Care by remote central station which occurs off Medical surgical unit. This continuous cardiac monitoring is conducted by registered nursing staff in the Intensive Care.

DESIGNEE

- Intensive Care Nursing Staff
- MS Nursing Staff

EQUIPMENT

- Patient identifying label and Telemetry order for cardiac monitoring
- Telemetry Unit and two AA batteries
- Intensive Care Telemetry Log Book

PROCEDURE

- The Medical Surgical staff will notify Intensive Care when they receive a physician order for telemetry. Intensive Care staff will verify order for telemetry monitoring.
- A Medical Surgical staff member will take the patient's identification stickers to Intensive Care and sign OUT/IN telemetry unit in the Telemetry Log Book using the following procedure:
 - One Intensive Care nurse and one MedSurg staff member shall sign out telemetry unit.
 - One Intensive Care nurse and one MedSurg staff member shall sign in telemetry unit when returned to Intensive Care.
 - Telemetry unit shall not be taken off a patient and placed on another patient without returning telemetry monitor to Intensive Care and signing in and out of Intensive Care log book for current patient placement.
- The MS nurse will apply the telemetry unit. The Intensive Care nurse will enter the patient's information including room number, Tele unit number, Code Status and admitting Diagnosis into the central station computer.
- On admission and at the beginning of each shift, the Intensive Care nurse will printout an interpreted and analyzed cardiac rhythm monitor strip. This will be entered into the patients chart under EKG intervention each shift and with any change of condition.
- The MedSurg nurse will call the Intensive Care to verify each Telemetry Unit placement. This information will be documented in the nurses charting example: "Verified tele #4 on this patient. Verified by Jan Doe, RN, Intensive Care".

- Should significant rhythm change occur, the Intensive Care nurse will obtain an analyzed strip and document in patients chart. If the Intensive Care Nurse first notices the rhythm, they will immediately notify the Medical Surgical nurse and assist him/her as needed. The Medical Surgical nurse will then notify the physician of the patients rhythm change. The Medical Surgical nurse will then notify the physician of the patients rhythm change.
- Obtain a physician's order to remove the telemetry monitoring unit for bathing, showering and/or off unit for Diagnostic Imaging.
 - Medsurg Nurse to notify Intensive Care nurse when the monitor is removed for bath/shower/procedure and placed back on.
 - Intensive Care Nurse places monitor in "Standby" mode while off monitor
 - The MedSurg nurse will call the Intensive Care Nurse to verify that Tele Unit is off Standby. This information will be documented in the nurses record example: "Verified tele #4 on this patient. Verified by Jan Doe, RN, Intensive Care".
- Each nursing unit will include the monitoring information in their shift report.
- When telemetry is discontinued, remove unit disinfect and clean monitor prior to returning to Intensive Care .
- Med/Surg staff is responsible for returning telemetry monitor back to Intensive Care.

PATIENT EDUCATION

1. MedSurg nurse will educate patient and family as to the reason they are on Telemetry
2. MedSurg nurse will educate patient on reasons to notify nurse such as chest pain, shortness of breath, trouble breathing, fast heartbeat, feeling dizzy, etc.

DOCUMENTATION

1. Document the time that monitoring began and the telemetry unit number via admission strip documentation.
2. Document a rhythm strip at least every shift and with any change in the patient's condition.
3. Label the strip or make sure that it's labeled with the patient's name and identification number as well as the date, time, lead(s) recorded, appropriate measurements, and rhythm interpretation. ICU nurse will initial to validate that they received and concurred with the rhythm interpretation.

REFERENCES

1. American Association of Critical-Care Nurses. (2018). AACN practice alert: Managing alarms in acute care across the life span: Electrocardiography and pulse oximetry. Retrieved July 2021 from <https://www.aacn.org/clinical-resources/practice-alerts/managing-alarms-in-acute-care-across-the-life-span> (Level VII)

ATTACHMENTS

[A Lippincott Procedures - Cardiac monitoring \(lww.com\)](#)

Document ID	11143	Document Status	In preparation
Department	Administration - Multidisciplinary	Department Director	Fernandez, Jacqueline
Document Owner	Matsui, Toshi	Next Review Date	
Original Effective Date	05/31/2007		
Revised	[06/30/2010], [03/31/2014], [03/31/2018], [04/16/2022], [04/17/2022 Rev. 0], [04/27/2023 Rev. 1], [05/18/2023 Rev. 2]		
Reviewed	[12/31/2009], [09/30/2012], [09/30/2016]		
Keywords	telemetry, cardiac monitoring, tele Lippencott Procedure for Cardiac Monitoring Full Text http://edutracker.com/trktrnr/presentation/jh_newcastle_pa/n9ecgmonitor.pdf https://apps.who.int/iris/bitstream/handle/10665/44102/9789241597906_eng.pdf?sequence=1 https://doi.org/10.1097/NCQ.0b013e31827993bc https://doi.org/10.1542/peds.2014-1162 https://doi.org/10.4037/ajcc2010651 https://meridian.allenpress.com/bit/article/46/6/470/142543/Electrocardiogram-Interference-A-Thing-of-the-Past https://www.aacn.org/clinical-resources/practice-alerts/dysrhythmia-monitoring https://www.aacn.org/clinical-resources/practice-alerts/managing-alarms-in-acute-care-across-the-life-span https://www.ahajournals.org/doi/pdf/10.1161/CIR.0000000000000527 https://www.ahrq.gov/professionals/systems/hospital/fallpxtoolkit/index.html https://www.cdc.gov/infectioncontrol/pdf/guidelines/isolation-guidelines-H.pdf https://www.cdc.gov/mmwr/pdf/rr/rr5116.pdf https://www.cdc.gov/niosh/docs/2009-127/pdfs/2009-127.pdf https://www.jointcommission.org/-/media/tjc/documents/resources/patient-safety-topics/sentinel-event/sea_50_alarms_4_26_16.pdf https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_id=10051&p_table=STANDARDS https://www.theonlinelearningcenter.com/Assets/PMDCBT/PIIC_Fundamentals_1.0/shell/viewer/swfs/assets/downloads/easi.pdf		
Attachments: (REFERENCED BY THIS DOCUMENT)			
Other Documents: (WHICH REFERENCE THIS DOCUMENT)			

Paper copies of this document may not be current and should not be relied on for official purposes. The current version is in Lucidoc at <http://hzh-iis.hazelhawkins.com/lucidoc/?returnto=%2Fcgi%2Fdoc-gw.pl%3Fref%3Dhmmh%3A11143%243>.



To: San Benito Health Care District Board of Directors
From: Amy Breen-Lema, Vice President, Clinic, Ambulatory & Physician Services
Date: July 9, 2024
Re: All Clinics – June 2024

Rural Health and Specialty Clinics' visit volumes

Clinic Location	Total visits
<i>Orthopedic Specialty</i>	345
<i>Multi-Specialty</i>	550
<i>Sunset</i>	717
<i>Primary Care & Surgery</i>	285
<i>San Juan Bautista</i>	311
<i>1st Street</i>	563
<i>4th Street</i>	930
<i>Barragan</i>	553
Total	4,254

- * Leland Estrella, DNP, PMHNP, FNP has joined our Mabie First Street Clinic where he will be providing behavioral health and primary care services. Previously, Leland spent 12 distinguished years at Hazel Hawkins Hospital serving as a registered nurse and house coordinator. His diverse clinical background also includes honorable service in the United States Air Force. We are delighted to welcome him to our team.
- * Provider recruitment activities with anticipated start dates by specialty
 - Women's Health & C-section Assist services: Marissa Diaz, PA-C – August 2024
 - Primary Care: Kimberly Hill, FNP – August 2024
 - Psychology: Kerri King, Ph.D. – August 2024
 - Orthopedics: Leticia Bradford, MD – August 2024



Hazel Hawkins MEMORIAL HOSPITAL

Mabie Southside/Northside Skilled Nursing Facility Board Report – JULY 2024

To: San Benito Health Care District Board of Directors

From: Dee Cross, RN, MLS, Interim Director of Nursing, Skilled Nursing Facility

1. Census Statistics: June 2024

Southside	2024	Northside	2024
Total Number of Admissions	17	Total Number of Admissions	11
Number of Transfers from HHH	17	Number of Transfers from HHH	7
Number of Transfers to HHH	7	Number of Transfers to HHH	3
Number of Deaths	1	Number of Deaths	0
Number of Discharges	13	Number of Discharges	3
Total Discharges	14	Total Discharges	3
Total Census Days	1209	Total Census Days	1,254

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 2024

Southside	From	Payor	Northside	From	Payor
13	HHMH	Medicare	1	HHH	Medicare
2	HHMH/Re-Admit	Medicare	1	SJ Regional	Medicare
2	HHMH/Re-Admit	CCA	1	Dominican Hosp	Medicare
			3	HHMH/Re-Admit	Medicare
			1	Pacific Hill Manor	CCA
			3	HHH/Re-Admit	CCA
			1	HHH	CCA
Total: 12			Total: 11		

3. Total Discharges by Payor: June 2024

Southside	2024	Northside	2024
Medicare	8	Medicare	3
Medicare MC	0	Medicare MC	0
CCA	5	CCA	0
Medical	1	Medical	0
Medi-Cal MC	0	Medi-Cal MC	0
Hospice	0	Hospice	0
Private (self-pay)	0	Private (self pay)	0
Insurance	0	Insurance	0
Total:	14	Total:	3

4. Total Patient Days by Payor: June 2024

Southside	2024	Northside	2024
Medicare	223	Medicare	50
Medicare MC	0	Medicare MC	0
CCA	884	CCA	1,008
Medical	42	Medical	150
Medi-Cal MC	0	Medi-Cal MC	0
Hospice	30	Hospice	0
Private (self-pay)	30	Private (self-pay)	30
Insurance	0	Insurance	0
Bed Hold / LOA	9	Bed Hold / LOA	16
Total:	1218	Total:	1,254
Average Daily Census	40.60	Average Daily Census	41.80



To: San Benito Health Care District Board of Directors
From: Bernadette Enderez, Director of Diagnostic Services
Date: July 2024
Re: Laboratory and Diagnostic Imaging

=====

Updates:

Laboratory

1. Quality Assurance/Performance Improvement Activities
 - Performance Improvement Project- Blood Transfusion documentation compliance
 - Update on chemistry analyzer project → working with contractors, Engineering and IT team to set-up the temporary validation area. Analyzer delivery projected to be mid-August
2. Laboratory Statistics

	June 2024	YTD
Total Outpatient Volume	3431	23235
Main Laboratory	1034	6892
HHH Employee Covid Testing	37	83
Mc Cray Lab	861	6078
Sunnyslope Lab	347	2265
SJB and 4 th Street	35	271
ER and ASC	1117	7646
Total Inpatient Volume	420	1661

Diagnostic Imaging

1. Service/Outreach
 - Ongoing evaluation of low dose lung screening exam as a new service offering.
2. Quality Assurance/Performance Improvement Activities
 - Performance Improvement Project: CT procedure Turn around time in ED



3. Diagnostic Imaging Statistics

	June 2024	YTD
Radiology	1703	10602
Mammography	650	4267
CT	941	5375
MRI	186	994
Echocardiography	105	693
Ultrasound	737	4618



TO: San Benito Health Care District Board of Directors
FROM: Liz Sparling, Foundation Director
DATE: July 2024
RE: Foundation Report

The Hazel Hawkins Hospital Foundation Board of Trustees did not meet in July but will resume regular scheduled Board Meeting on August 8.

Financial Report	June
1. Income	\$ 5,736.83
2. Expenses	\$ 606,075.00
3. New Donors	5
4. Total Donations	150

Dinner Dance Report:

- We are excited about our in person Dinner Dance this year on **November 2nd** at the Paicines Ranch. Please mark your calendars!
- Our Dinner Dance Committee selected the following people/organizations to be honored on November 2nd for at our Dinner Dance Fundraiser. They have all accepted and are thrilled and honored to be at our event.
 - A. **Hazel Hawkins Hospital Auxiliary** as our Donors of the Year
 - B. **Calera Wine Company/Duckhorn Portfolio** as our Business Donor of the Year
 - C. **Doug & Suzie Mays** as our “Heart for Hazel” recipients for their years of dedication to the Hospital and the Foundation.



PMO Project Summary Report

Date: 7/15/24

Summary of current and completed projects managed by the Project Management Office (PMO). This is a high-level overview of the PMO's activity, highlighting key initiatives and their outcomes.

Current Projects

<u>Project Name</u>	<u>Project Description</u>	<u>Start Date</u>	<u>Target Completion Date</u>	<u>Current Status</u>	<u>Key Deliverables</u>
Boiler Replacement	Replace existing boiler to enhance efficiency and reliability.		7/15/2024	Demolition completed; structural slab pour completed; 14 day compaction results for slab strength received 07/08/24 New Boiler Equipment approved to install on new concrete slab on 07/15/24 Plumbing, electrical, and mechanical work in progress aiming at a completion date week of 07/15	Install new boiler
Sterilizer Installation	Engineering to complete permit process and installation of new sterilizer to replace aging equipment.		Install will be scheduled ASAP after "Notice to Proceed with Construction" is released.	06/20/24 - Permit APPROVED; submitted to HCAI. HCAI IOR retained for project. Install will be scheduled ASAP after "Notice to Proceed w/ Construction" is released.	Installation of new sterilizer.



Annex MD Office Compressor Replacement	Replace compressor equipment at Annex MD Office.		7/1/24	Replacement of Compressor completed 07/01/24 w/ Commercial Air	Replace compressor equipment.
I.T. Room RTU Compressor Replacement	Replace RTU compressor - I.T. Room.		7/1/24	Replacement of Compressor completed 07/01/24 w/ Commercial Air	Replace compressor equipment.
2 nd Floor SSB Doors Installation	Engineering to complete permit process and installation of doors on 2 nd Floor of SSB.			Awaiting doors and city permit; installation of wall, door/side light, and closer install to follow.	Installation of new doors – Support Serv Bldg 2 nd floor
Lab Rebuild		6/3/24		Project kick off week of 06/03 with EP and structural walk through. PO issued for Chemical Analyzers due for delivery 08/12/24. HACI meeting completed 06/26 w/ Traenor HL to discuss emergency replacement of Chemical Analyzers; temporary staging location changed per HCAI directive as "Temporary". Construction documents due early July/GC bid process	



				to follow for Phase I & II.	
TJC Cities	Installation of GFCI outlets in OR1 and L/D.			07/20/24 – GFCI install within OR and LD areas scheduled.	
OR Suite #1 (ASC)			7/12/23	RTU 5 coil and compressor repair scheduled 07/12/24.	
Hollister Paint kitchen/café – Kitchen Floor Epoxy	Refresh paint and epoxy floor in hospital kitchen/café.			07/08/24 - Painting project initiated; Epoxy floor painting in process.	
Seismic	Upgrade to meet HCAI seismic compliance and safety standards.			Awaiting five signs for install from HCAI; Traenor HL following. Small rural hospital grant approved; Funding application process has been initiated.	
HH OR Status				06/15/24 - Arch/MEP/Structural evaluations initiated to upgrade space to current standards to put back into operation	
Access eForms/Passport	Access Passport is a web-based forms solution that provides access to the functional	4/29/24	11/30/24	ADT is needed. We are waiting on MT to give us an implementation date.	New registration forms and new hardware install



	elements you need to remove all paper from your forms processes—making them completely electronic from start to finish.			This is on hold until this interface is installed.	
BD Anti Diversion & Pyxis Install	Install larger Pyxis in ICU. Current one will go to OB Surg. Install new in PACU and outside OR. Returning Anesthesia units. Implement pharmacy diversion software across all.	2/9/24	TBD	Data extracts and mapping tables are being worked on. This lies with the pharmacy department	Install additional units and move units Install diversion software on units Install data drops and electrical
Bepoz	Add employees and employee numbers to Bepoz to allow for charging and payroll deduction of café charges	6/3/24	7/31/24	Nutrition Services working on developing group settings and testing prior to entering employee data	Building of employees for payroll deduction in the cafe
Contract Management Software	Demo, choose and build contract management repository	5/6/24	6/30/24	Purchasing staff is entering contracts	Demo and selection of software
EHR Project	Identify and demo EHR systems	2/14/24	TBD	2 nd phase initiated for Expanse – ROI data being captured	ROI data compiled by Finance



Green Security Vendor Credentialing	Institutional safety company that combines credentialing and background investigation with advanced onsite technologies to control, manage, and monitor the access of ALL non-employees	2/29/24	7/31/24	Executed agreement pending 7/9. Credentials document finalized. Go Live anticipated 9/1/24. Announcement letters being sent to vendors.	Manage, track, background check, and credential ALL non-employees entering the hospital
Insight Due Diligence	Coordinate gathering of data and put in data room	3/19/24	6/30/24	Data room established. We are about 60% completed	Collect data and populate new data room
MD Staff	MD-Staff is a feature rich enterprise level credentialing system that is powerful, user friendly, and intuitive.	3/18/24	20-30 Weeks	Test Conversion Scheduled for 6/12/24	Provide Merge Documents and priv forms Training Upload checklists
Promoting Interoperability	Meet measures and successfully attest to CMS regulations	1/5/24	Q4 – calendar year (Oct-Nov-Dec)	In process-waiting on labtrac vendor for information	Attest and report out successful completion of identified measures
Securitas/Hugs	Enterprise-wide protection to infant and pediatric patients of all ages,	5/28/24	TBD	SOW fully signed and resources to be allocated. Hardware to be shipped.	HUGS enterprise solution with tags



	including well newborns				
--	-------------------------	--	--	--	--

Completed Projects – FY 7.1.24 - 6.30.25

<u>Project Name</u>	<u>Project Description</u>	<u>Start Date</u>	<u>Completion Date</u>	<u>Key Achievements</u>	<u>Lessons Learned</u>
ER Chiller	Rebuild ER Chiller			Rebuild is complete	Rebuild ER Chiller
ER door glass replacement – WC Window replacement	Replace glass door in Emergency Room and window in Women's Center.		7/1/24	Replace glass doors	New glass doors Emergenc Room and Window in Women's Center.

HUMAN RESOURCES DASHBOARD 2024

DEPARTMENTAL METRICS	April	May	June	Q2-2024	YTD (Jan-June)
# Employees	681	683	685	683	679
# New Hires	10	18	11	39	81
# Terminations	9	14	7	30	57
Overall Turnover	1.3%	2.0%	1.0%	4.4%	12.8%
Nursing Turnover	1.6%	3.1%	0.8%	5.4%	10.0%

Terms By Union	April	May	June	Q2-2024	YTD (Jan-June)
The California Nurses Association (CNA)	2	4	1	7	13
National Union of Healthcare Workers (NUHW)	4	8	5	17	35
California License Vocational Nurses (CLVN)	2	0	0	2	2
Engineers and Scientists of California (ESC)	0	0	0	0	0
Non-Union	1	2	1	4	7

Terms By Reason (V=Voluntary & IV= Involuntary)	April	May	June	Q2-2024	YTD (Jan-June)
Personal (V)	3	2	1	6	13
Retirement (V)	0	2	1	3	10
Schedule (V)	0	1	0	1	3
Job Abandonment (V)	0	0	1	1	3
No Reason Given (V)	4	6	0	10	14
Relocating (V)	0	1	2	3	4
School (V)	0	0	1	1	1
No Show (V)	1	0	0	1	1
RIF(IV)	0	1	0	1	1
Performance (IV)	1	1	1	3	8

Interim Chief Nursing Officer Report

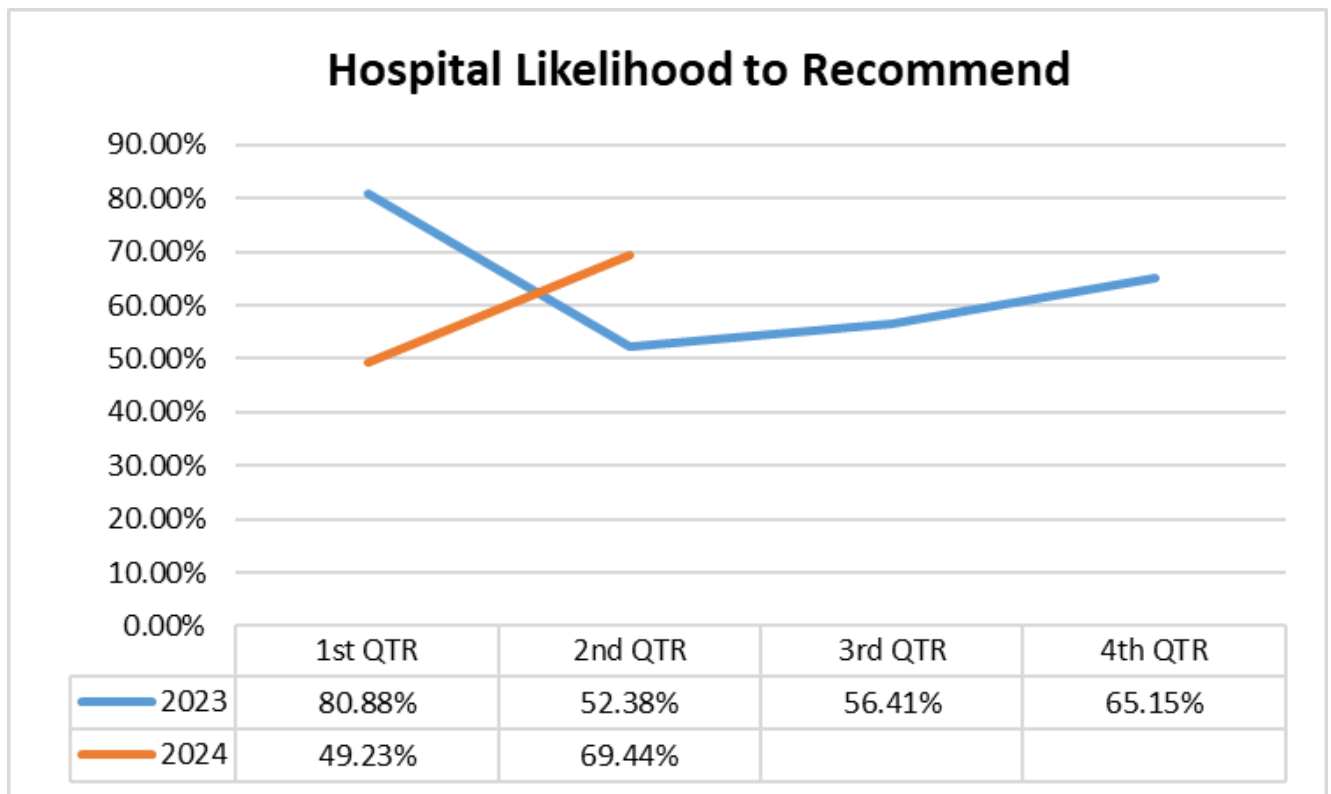
July 2024

Patient Care Services

- Nurse Leader Rounding
- Baby Friendly Celebration pending August date

Quality, Regulatory, & Utilization Management

- 45 day TJC follow up



CNO Dashboard June 2024

Description	Target	Jan-24	Feb-24	Mar-24	Apr-24	May-24	June 24	YTD 2024
ED Visits	2370	2249	2093	2239	2334	2590	2323	13828
ED Admission %	10%>	6%	6%	6%	5%	5%	5.7%	5.6%
LWBS %	< 2.0%	0.04%	0.06%	0.08%	1.60%	1.20%	1.70%	0.78%
Door to Provider	10 min	7 min	7 min	7 min	7 min	8 min	8 min	7.33 min
MS admissions	120	107	103	121	106	110	116	663
ICU admissions	22	22	28	29	21	19	24	143
Deliveries	39	32	28	38	26	37	40	201
OR Inpatient	40	24	40	39	34	45	61	243
OR Outpatient	12	8	7	11	13	12	7	58
ASC	141	104	130	105	151	157	83	730
GI	94	69	85	81	108	115	58	516

San Benito Health Care District
Finance Committee Minutes
July 18, 2024 - 4:30pm

Present: Bill Johnson, Vice President
Rick Shelton, Board Treasurer
Mark Robinson, Chief Financial Officer
Amy Breen-Lema, Vice President Clinic, Ambulatory & Physician Services
Karen Descent, Interim Chief Nursing Officer
Sandra DiLaura, Controller

Public: G.W. Devon Pack, Board Member

1. CALL TO ORDER

The meeting of the Finance Committee was called to order at 4:30pm.

2. REVIEW FINANCIAL UPDATES

A. June 2024 Financial Statements

“Pre-Audit”

For the month ending June 30, 2024, the District’s Net Surplus (**Loss**) is \$1,684,879 compared to a budgeted Surplus (**Loss**) of \$810,376. The District exceeded its budget for the month by \$874,503.

YTD as of June 30, 2024, the District’s Net Surplus (**Loss**) is \$15,511,128 compared to a budgeted Surplus (**Loss**) of \$2,117,148. The District is exceeding its budget YTD by \$13,393,980.

Acute discharges were 187 for the month, under budget by 27 discharges or 13%. The ADC was 18.87 compared to a budget of 19.39. The ALOS was 3.03. The acute I/P gross revenue exceeded budget by **\$81,631** while O/P services gross revenue was **\$1.28 million** or 5% under budget. ER I/P visits were 133 and ER O/P visits were over budget by 139 visits or 7%. The RHCs & Specialty Clinics treated 3,359 (includes 553 visits at the Diabetes Clinic) and 895 visits respectively.

Other Operating revenue was slightly budget by **\$6,822**.

Operating Expenses were under budget by **\$219,760** due mainly to negative variances in: Registry of \$278,139 and Purchase Services of \$187,664 being off-set by positive variances in Employee Benefits of \$479,610 and Salary and Wages of \$156,089.

Non-operating Revenue exceeded budget by **\$89,613** due mainly to donations offsetting legal fees associated with the 2013/2021 revenue bonds related to the DHLP subordination agreement which included U.S. Bank.

The SNFs ADC was **81.57** for the month. The Net Surplus **(Loss)** is **(\$87,587)** compared to a budget of \$208,414. YTD, the Net Surplus **(Loss)** is \$3,011,724 exceeding its budget by \$376,315.

B. June 2024 Finance Dashboard

The Finance Dashboard and Cash Flow Statement were reviewed by the Committee.

C. Other Financial Updates

Other items noted included:

- Supplemental Payment Program in detail and when to expect reimbursements.
- DHLP – SBHCD Loan - Distressed Hospital Loan Program wire was received in July 5, 2024 and set aside in a separate account.

3. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF LETITIA BRADFORD, M. D. PROFESSIONAL SERVICES AGREEMENT.

The Professional Services Agreement is for in months 1-6 (5-6 days/month) and in months 7-24 (6-10 days/month) orthopedic surgeon effective date August 5, 2024, a 2 year term, and 60-day termination clause. The base daily rate will be set within 75th percentile of fair market value at \$3,580 per day, estimated monthly cost of \$21,480 in year 1 and \$35,800 in year 2. The Finance Committee recommends this resolution for Board approval.

4. ADJOURNMENT

There being no further business, the Committee was adjourned at 4:48 pm.

Respectfully submitted,

Sandra DiLaura
Controller



Hazel Hawkins
MEMORIAL HOSPITAL

**REGULAR AND SPECIAL MEETING OF THE FINANCE COMMITTEE
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, JULY 18, 2024 - 4:30 P.M.
SUPPORT SERVICES BUILDING, 2ND FLOOR – GREAT ROOM**

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.

1. Call to Order
2. Approve Minutes of the Finance Committee Meeting of June 20, 2024
 - Motion/Second
3. Review Financial Updates
 - Financial Statements – June 2024
 - Finance Dashboard – June 2024
 - Supplemental Payments – June 2024
 - DHLP – SBHCD Loan
4. Consider Recommendation for Board Approval of Letitia Bradford, M.D. Professional Services Agreement
 - Report
 - Committee Questions
 - Motion/Second
5. Public Comment

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on matters within the jurisdiction of this District Board **Committee**, which are not on this agenda.
6. Adjournment

The next Finance Committee meeting is scheduled for **Thursday, August 15, 2024 at 4:30 p.m.**



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

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.



July 18, 2024

“Pre-Audit”

CFO Financial Summary for the District Board:

For the month ending June 30, 2024, the District’s Net Surplus (Loss) is \$1,684,879 compared to a budgeted Surplus (Loss) of \$810,376. The District exceeded its budget for the month by \$874,503.

YTD as of June 30, 2024, the District’s Net Surplus (Loss) is \$15,511,128 compared to a budgeted Surplus (Loss) of \$2,117,148. The District is exceeding its budget YTD by \$13,393,980.

Acute discharges were 187 for the month, under budget by 27 discharges or 13%. The ADC was 18.87 compared to a budget of 19.39. The ALOS was 3.03. The acute I/P gross revenue exceeded budget by **\$81,631** while O/P services gross revenue was **\$1.28 million** or 5% under budget. ER I/P visits were 133 and ER O/P visits were over budget by 139 visits or 7%. The RHCs & Specialty Clinics treated 3,359 (includes 553 visits at the Diabetes Clinic) and 895 visits respectively.

Other Operating revenue was slightly budget by **\$6,822**.

Operating Expenses were under budget by **\$219,760** due mainly to negative variances in: Registry of \$278,139 and Purchase Services of \$187,664 being off-set by positive variances in Employee Benefits of \$479,610 and Salary and Wages of \$156,089.

Non-operating Revenue exceeded budget by **\$89,613** due mainly to donations offsetting legal fees associated with the 2013/2021 revenue bonds related to the DHLP subordination agreement which included U.S. Bank.

The SNFs ADC was **81.57** for the month. The Net Surplus (Loss) is **(\$87,587)** compared to a budget of \$208,414. YTD, the Net Surplus (Loss) is \$3,011,724 exceeding its budget by \$376,315.

Hazel Hawkins Memorial Hospital
Bad Debt Expense
For the Year Ending June 30, 2024

[illegible]

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
HOLLISTER, CA 95023
FOR PERIOD 06/30/24

	CURRENT MONTH				YEAR-TO-DATE			
	ACTUAL 06/30/24	BUDGET 06/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/23	ACTUAL 06/30/24	BUDGET 06/30/24	POS/NEG VARIANCE
GROSS PATIENT REVENUE:								
ACUTE ROUTINE REVENUE	4,095,139	4,391,511	(296,372)	(7)	2,694,039	40,084,613	53,097,685	(13,013,072)
SNF ROUTINE REVENUE	1,841,130	2,025,000	(183,870)	(9)	2,112,750	24,707,998	24,705,000	2,998
ANCILLARY INPATIENT REVENUE	5,429,374	5,160,219	269,155	5	3,525,808	50,172,620	62,097,206	(11,924,586)
HOSPITALIST\PEDS I/P REVENUE	208,571	184,678	23,893	13	118,354	2,045,800	2,253,062	(207,262)
TOTAL GROSS INPATIENT REVENUE	11,574,214	11,761,408	(187,194)	(2)	8,450,951	117,011,030	142,152,953	(25,141,923)
ANCILLARY OUTPATIENT REVENUE	25,757,265	27,055,849	(1,298,585)	(5)	24,511,635	326,949,882	293,731,103	33,218,779
HOSPITALIST\PEDS O/P REVENUE	81,974	59,424	22,550	38	45,830	856,890	724,965	131,925
TOTAL GROSS OUTPATIENT REVENUE	25,839,239	27,115,273	(1,276,034)	(5)	24,557,464	327,806,773	294,456,068	33,350,705
TOTAL GROSS PATIENT REVENUE	37,413,452	38,876,681	(1,463,229)	(4)	33,008,415	444,817,803	436,609,021	8,208,782
DEDUCTIONS FROM REVENUE:								
MEDICARE CONTRACTUAL ALLOWANCES	9,745,602	11,151,680	(1,406,079)	(13)	7,637,411	118,266,285	125,308,486	(7,022,201)
MEDI-CAL CONTRACTUAL ALLOWANCES	9,540,063	10,743,532	(1,203,469)	(11)	7,768,464	117,415,290	119,061,389	(1,646,100)
BAD DEBT EXPENSE	922,251	438,441	483,810	110	671,141	8,029,263	4,901,841	3,127,422
CHARITY CARE	34,099	41,028	(6,929)	(17)	54,522	484,918	457,917	27,001
OTHER CONTRACTUALS AND ADJUSTMENTS	4,413,075	4,479,721	(66,646)	(2)	4,539,103	53,070,799	49,641,823	3,428,976
HOSPITALIST\PEDS CONTRACTUAL ALLOW	15,480	13,589	1,891	14	(48,041)	44,147	151,767	(107,620)
TOTAL DEDUCTIONS FROM REVENUE	24,670,570	26,867,991	(2,197,421)	(8)	20,622,601	297,330,702	299,523,223	(2,192,521)
NET PATIENT REVENUE	12,742,883	12,008,690	734,193	6	12,385,815	147,487,101	137,085,798	10,401,303
OTHER OPERATING REVENUE	589,327	582,505	6,822	1	4,418,323	7,071,066	6,989,986	81,080
NET OPERATING REVENUE	13,332,209	12,591,195	741,014	6	16,804,138	154,558,167	144,075,784	10,482,383
OPERATING EXPENSES:								
SALARIES & WAGES	4,767,607	4,636,148	131,459	3	5,436,510	56,123,795	56,146,489	(22,694)
REGISTRY	482,828	200,000	282,828	141	148,701	4,539,208	2,400,001	2,139,207
EMPLOYEE BENEFITS	1,905,367	2,464,982	(559,615)	(23)	10,041,751	25,042,972	29,455,457	(4,412,485)
PROFESSIONAL FEES	1,604,161	1,602,560	1,601	0	1,707,445	19,358,761	19,530,040	(171,280)
SUPPLIES	1,119,660	1,222,616	(102,956)	(8)	(492,137)	12,885,168	14,283,869	(1,398,701)
PURCHASED SERVICES	1,232,236	1,058,400	173,836	16	1,282,624	13,605,672	12,912,429	693,243
RENTAL	134,640	130,294	4,346	3	128,245	1,673,766	1,571,113	102,653
DEPRECIATION & AMORT	319,957	320,773	(816)	0	324,900	3,878,005	3,849,307	28,698
INTEREST	5,656	25,416	(19,760)	(78)	302,753	483,438	305,000	178,438
OTHER	468,285	423,085	45,200	11	387,579	5,262,944	5,156,914	106,030
TOTAL EXPENSES	12,040,398	12,084,274	(43,876)	0	19,268,371	142,853,728	145,610,619	(2,756,891)
NET OPERATING INCOME (LOSS)	1,291,812	506,921	784,891	155	(2,464,234)	11,704,439	(1,534,835)	13,239,274
								(863)
								(3,520,805)

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
HOLLISTER, CA 95023
FOR PERIOD 06/30/24

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			PRIOR YR		
	ACTUAL	BUDGET	POS/NEG	PERCENT	ACTUAL	BUDGET	POS/NEG	PERCENT	ACTUAL	BUDGET	POS/NEG	PERCENT
	06/30/24	06/30/24	VARIANCE	VARIANCE	06/30/23	06/30/24	VARIANCE	VARIANCE	06/30/23	06/30/24	VARIANCE	06/30/23
NON-OPERATING REVENUE\EXPENSE:												
DONATIONS	146,825	10,000	136,825	1,368	1,208	390,752	170,000	220,752	130	665,411		
PROPERTY TAX REVENUE	205,711	205,711	0	0	534,470	2,468,532	2,468,527	5	0	2,689,535		
GO BOND PROP TAXES	170,388	170,388	0	0	343,243	2,044,653	2,044,656	(3)	0	2,157,849		
GO BOND INT REVENUE\EXPENSE	(68,721)	(68,721)	0	0	(72,048)	(824,653)	(824,652)	(1)	0	(864,570)		
OTHER NON-OPER REVENUE	14,328	13,843	485	4	13,916	206,282	166,116	40,166	24	(284,866)		
OTHER NON-OPER EXPENSE	(86,070)	(27,766)	(58,304)	210	(59,170)	(485,275)	(372,664)	(112,611)	30	(513,633)		
INVESTMENT INCOME	10,607	0	10,607	0	(2,456)	6,398	0	6,398	923			
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0			
TOTAL NON-OPERATING REVENUE/(EXPENSE)	393,068	303,455	89,613	30	759,162	3,806,689	3,651,983	154,706	4	3,850,647		
NET SURPLUS (LOSS)	1,684,879	810,376	874,503	108	(1,705,072)	15,511,128	2,117,148	13,393,980	633	329,842		
EBIDA	\$ 1,989,240	\$ 1,057,248	\$ 931,992	88.15%	\$ (1,592,197)	\$ 18,654,408	\$ 5,119,115	\$ 13,535,293	264.40%	\$ 3,451,305		
EBIDA MARGIN	14.92%	8.40%	6.52%	77.69%	(9.48)%	12.07%	3.55%	8.52%	239.68%	2.16%		
OPERATING MARGIN	9.69%	4.03%	5.66%	140.67%	(14.66)%	7.57%	(1.07)%	8.64%	(810.86)%	(2.20)%		
NET SURPLUS (LOSS) MARGIN	12.64%	6.44%	6.20%	96.35%	(10.15)%	10.04%	1.47%	8.57%	582.93%	0.21%		

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
HOLLISTER, CA 95023
FOR PERIOD 06/30/24

	CURRENT MONTH			YEAR-TO-DATE		
	ACTUAL 06/30/24	BUDGET 06/30/24	POS/NEG VARIANCE	ACTUAL 06/30/24	BUDGET 06/30/24	POS/NEG VARIANCE
GROSS PATIENT REVENUE:						
ROUTINE REVENUE	4,095,139	4,391,511	(296,372)	40,084,613	53,097,685	(13,013,072)
ANCILLARY INPATIENT REVENUE	5,150,323	4,796,213	354,110	46,563,908	57,686,691	(11,122,784)
HOSPITALIST I/P REVENUE	208,571	184,678	23,893	2,045,800	2,253,062	(207,262)
TOTAL GROSS INPATIENT REVENUE	9,454,033	9,372,402	81,631	88,694,321	113,037,438	(24,343,117)
ANCILLARY OUTPATIENT REVENUE	25,757,265	27,055,849	(1,298,585)	326,949,882	293,731,103	33,218,779
HOSPITALIST O/P REVENUE	81,974	59,424	22,550	856,890	724,965	131,925
TOTAL GROSS OUTPATIENT REVENUE	25,839,239	27,115,273	(1,276,034)	327,806,773	294,456,068	33,350,705
TOTAL GROSS ACUTE PATIENT REVENUE	35,293,271	36,487,675	(1,194,404)	416,501,093	407,493,506	9,007,587
DEDUCTIONS FROM REVENUE ACUTE:						
MEDICARE CONTRACTUAL ALLOWANCES	9,533,305	10,879,374	(1,346,069)	115,645,098	122,010,650	(6,365,552)
MEDI-CAL CONTRACTUAL ALLOWANCES	9,451,136	10,638,716	(1,187,520)	115,626,488	117,782,647	(2,156,159)
BAD DEBT EXPENSE	928,480	428,441	500,039	8,127,358	4,781,841	3,345,517
CHARITY CARE	34,099	41,028	(6,929)	481,216	457,917	23,299
OTHER CONTRACTUALS AND ADJUSTMENTS	4,404,796	4,414,921	(10,126)	52,693,867	48,851,263	3,842,604
HOSPITALIST\PEDES CONTRACTUAL ALLOW	15,480	13,589	1,891	44,147	151,767	(107,620)
TOTAL ACUTE DEDUCTIONS FROM REVENUE	24,367,356	26,416,069	(2,048,713)	292,618,175	294,036,085	(1,417,910)
NET ACUTE PATIENT REVENUE	10,925,916	10,071,606	854,310	123,882,918	113,457,421	10,425,497
OTHER OPERATING REVENUE	589,327	582,505	6,822	7,071,066	6,989,986	81,080
NET ACUTE OPERATING REVENUE	11,515,242	10,654,111	861,131	130,953,984	120,447,407	10,506,577
OPERATING EXPENSES:						
SALARIES & WAGES	3,568,752	3,724,841	(156,089)	44,556,927	45,041,835	(484,908)
REGISTRY	445,139	167,000	278,139	4,100,669	2,004,001	2,096,668
EMPLOYEE BENEFITS	1,467,799	1,947,409	(479,610)	19,476,802	23,211,824	(3,735,022)
PROFESSIONAL FEES	1,601,951	1,600,224	1,727	19,332,241	19,502,001	(169,761)
SUPPLIES	1,046,043	1,134,306	(88,263)	11,756,807	13,217,864	(1,461,057)
PURCHASED SERVICES	1,142,070	954,406	187,664	12,576,872	11,643,688	933,184
RENTAL	133,136	129,269	3,867	1,659,390	1,558,699	1,000,691
DEPRECIATION & AMORT	280,920	281,320	(400)	3,405,517	3,375,840	29,677
INTEREST	5,656	25,416	(19,760)	483,438	305,000	178,438
OTHER	419,708	366,744	52,964	4,625,378	4,469,676	155,702
TOTAL EXPENSES	10,111,175	10,330,935	(219,760)	121,974,040	124,330,428	(2,356,389)
NET OPERATING INCOME (LOSS)	1,404,067	323,176	1,080,891	8,979,944	(3,883,021)	12,862,965
			335	(2,633,436)		(331)
						(7,773,933)

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
HOLLISTER, CA 95023
FOR PERIOD 06/30/24

CURRENT MONTH				PRIOR YR				YEAR-TO-DATE			
ACTUAL	BUDGET	POS/NEG	PERCENT	PRIOR YR	ACTUAL	BUDGET	POS/NEG	PERCENT	PRIOR YR		
06/30/24	06/30/24	VARIANCE	VARIANCE	06/30/23	06/30/24	06/30/24	VARIANCE	VARIANCE	06/30/23		
NON-OPERATING REVENUE\EXPENSE:											
DONATIONS	146,825	10,000	1,368	1,208	390,752	170,000	220,752	130	665,411		
PROPERTY TAX REVENUE	174,854	174,854	0	454,300	2,098,248	2,098,248	0	0	2,286,108		
GO BOND PROP TAXES	170,388	170,388	0	343,243	2,044,653	2,044,656	(3)	0	2,157,849		
GO BOND INT REVENUE\EXPENSE	(68,721)	(68,721)	0	(72,048)	(824,653)	(824,652)	(1)	0	(864,570)		
OTHER NON-OPER REVENUE	14,328	13,843	485	13,916	206,282	166,116	40,166	24	(284,866)		
OTHER NON-OPER EXPENSE	(79,882)	(21,578)	270	(51,882)	(402,220)	(289,608)	(112,612)	39	(417,741)		
INVESTMENT INCOME	10,607	0	10,607	(2,456)	6,398	0	6,398	0	923		
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0		
TOTAL NON-OPERATING REVENUE/(EXPENSE)											
	368,399	278,786	32	686,279	3,519,460	3,364,760	154,700	5	3,543,112		
NET SURPLUS (LOSS)											
	1,772,466	601,962	194	(1,947,157)	12,499,404	(518,261)	13,017,665	(2,512)	(4,230,821)		

HAZEL HAWKINS SKILLED NURSING FACILITIES
EOLLISTER, CA
FOR PERIOD 06/30/24

	CURRENT MONTH				YEAR-TO-DATE					
	ACTUAL 06/30/24	BUDGET 06/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/23	ACTUAL 06/30/24	BUDGET 06/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/23
GROSS SNF PATIENT REVENUE:										
ROUTINE SNF REVENUE	1,841,130	2,025,000	(183,870)	(9)	2,112,750	24,707,998	24,705,000	2,998	0	24,725,200
ANCILLARY SNF REVENUE	279,051	364,006	(84,955)	(23)	349,033	3,608,712	4,410,515	(801,803)	(18)	4,718,390
TOTAL GROSS SNF PATIENT REVENUE	2,120,181	2,389,006	(268,825)	(11)	2,461,783	28,316,710	29,115,515	(798,805)	(3)	29,443,590
DEDUCTIONS FROM REVENUE SNF:										
MEDICARE CONTRACTUAL ALLOWANCES	212,297	272,306	(60,010)	(22)	227,394	2,641,187	3,297,836	(656,649)	(20)	2,920,900
MEDI-CAL CONTRACTUAL ALLOWANCES	88,866	104,816	(15,950)	(15)	142,575	1,788,801	1,278,742	510,059	40	(578,592)
BAD DEBT EXPENSE	(6,228)	10,000	(16,228)	(162)	171,563	(98,096)	120,000	(218,096)	(182)	230,201
CHARITY CARE	0	0	0	0	1,957	3,702	0	3,702	0	11,064
OTHER CONTRACTUALS AND ADJUSTMENTS	8,280	64,800	(56,520)	(87)	5,405	376,932	790,560	(413,628)	(52)	788,407
TOTAL SNF DEDUCTIONS FROM REVENUE	303,214	451,922	(148,708)	(33)	548,893	4,712,526	5,487,138	(774,612)	(14)	3,371,981
NET SNF PATIENT REVENUE	1,816,967	1,937,084	(120,117)	(6)	1,912,890	23,604,183	23,628,377	(24,194)	0	26,071,610
OTHER OPERATING REVENUE	0	0	0	0	0	0	0	0	0	0
NET SNF OPERATING REVENUE	1,816,967	1,937,084	(120,117)	(6)	1,912,890	23,604,183	23,628,377	(24,194)	0	26,071,610
OPERATING EXPENSES:										
SALARIES & WAGES	1,198,855	911,307	287,548	32	884,726	11,566,868	11,104,654	462,214	4	10,868,537
REGISTRY	37,689	33,000	4,689	14	27,709	438,540	396,000	42,540	11	309,757
EMPLOYEE BENEFITS	437,569	517,573	(80,005)	(16)	592,915	5,566,170	6,243,633	(677,463)	(11)	7,317,610
PROFESSIONAL FEES	2,210	2,336	(126)	(5)	2,486	26,520	28,039	(1,519)	(5)	27,306
SUPPLIES	73,617	88,310	(14,694)	(17)	82,636	1,128,361	1,066,005	62,356	6	1,045,987
PURCHASED SERVICES	90,166	103,994	(13,828)	(13)	85,093	1,028,801	1,268,741	(239,940)	(19)	1,143,775
RENTAL	1,504	1,025	479	47	991	14,376	12,414	1,962	16	11,265
DEPRECIATION	39,037	39,453	(416)	(1)	39,312	472,488	473,467	(979)	0	473,378
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHER	48,577	56,341	(7,764)	(14)	27,820	637,565	687,238	(49,673)	(7)	620,868
TOTAL EXPENSES	1,929,223	1,753,339	175,884	10	1,743,688	20,879,689	21,280,191	(400,503)	(2)	21,818,482
NET OPERATING INCOME (LOSS)	(112,256)	183,745	(296,001)	(161)	169,202	2,724,495	2,348,186	376,309	16	4,253,128
NON-OPERATING REVENUE/EXPENSE:										
DONATIONS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	30,857	30,857	0	0	80,170	370,284	370,279	5	0	403,427
OTHER NON-OPER EXPENSE	(6,188)	(6,188)	0	0	(7,288)	(83,055)	(83,056)	1	0	(95,892)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	24,669	24,669	0	0	72,883	287,229	287,223	6	0	307,535
NET SURPLUS (LOSS)	(87,587)	208,414	(296,001)	(142)	242,085	3,011,724	2,635,409	376,315	14	4,560,663

HAZEL HAWKINS MEMORIAL HOSPITAL
HOLLISTER, CA
For the month ended 06/30/24

	CURR MONTH 06/30/24	PRIOR MONTH 05/31/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/23
CURRENT ASSETS					
CASH & CASH EQUIVALENT	35,264,193	32,506,771	2,757,422	9	13,649,396
PATIENT ACCOUNTS RECEIVABLE	67,837,204	64,285,451	3,551,753	6	51,674,982
BAD DEBT ALLOWANCE	(9,487,617)	(9,170,314)	(317,303)	4	(5,227,791)
CONTRACTUAL RESERVES	(43,423,880)	(41,958,177)	(1,465,703)	4	(32,708,039)
OTHER RECEIVABLES	5,326,870	4,963,291	363,580	7	8,381,301
INVENTORIES	3,997,285	3,995,792	1,493	0	4,057,813
PREPAID EXPENSES	1,775,026	2,429,977	(654,951)	(27)	2,042,543
DUE TO\FROM THIRD PARTIES	1,892,052	1,892,052	0	0	2,784,747
TOTAL CURRENT ASSETS	63,181,132	58,944,842	4,236,290	7	44,654,951
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	4,072,225	6,660,740	(2,588,515)	(39)	3,825,798
TOTAL LIMITED USE ASSETS	4,072,225	6,660,740	(2,588,515)	(39)	3,825,798
PROPERTY, PLANT, AND EQUIPMENT					
LAND & LAND IMPROVEMENTS	3,370,474	3,370,474	0	0	3,370,474
BLDGS & BLDG IMPROVEMENTS	100,098,374	100,098,374	0	0	100,098,374
EQUIPMENT	44,591,693	44,295,983	295,711	1	43,302,208
CONSTRUCTION IN PROGRESS	1,237,146	1,121,428	115,718	10	880,124
GROSS PROPERTY, PLANT, AND EQUIPMENT	149,297,687	148,886,258	411,429	0	147,651,180
ACCUMULATED DEPRECIATION	(94,410,223)	(94,075,683)	(334,540)	0	(90,362,507)
NET PROPERTY, PLANT, AND EQUIPMENT	54,887,464	54,810,575	76,889	0	57,288,673
OTHER ASSETS					
UNAMORTIZED LOAN COSTS	398,148	404,219	(6,071)	(2)	470,999
PENSION DEFERRED OUTFLOWS NET	18,285,289	18,285,289	0	0	18,285,289
TOTAL OTHER ASSETS	18,683,437	18,689,508	(6,071)	0	18,756,288
TOTAL UNRESTRICTED ASSETS	140,824,257	139,105,664	1,718,593	1	124,525,709
RESTRICTED ASSETS	17,877	17,825	52	0	125,193
TOTAL ASSETS	140,842,134	139,123,489	1,718,645	1	124,650,902

HAZEL HAWKINS MEMORIAL HOSPITAL
HOLLISTER, CA
For the month ended 06/30/24

	CURR MONTH 06/30/24	PRIOR MONTH 05/31/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/23
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	8,393,300	5,473,563	(2,919,737)	53	4,938,613
ACCRUED PAYROLL	4,776,918	4,132,425	(644,494)	16	3,345,253
ACCRUED PAYROLL TAXES	1,530,768	1,498,122	(32,647)	2	1,497,221
ACCRUED BENEFITS	6,695,829	6,865,305	169,476	(3)	6,051,228
ACCRUED PENSION (CURRENT)	4,952,331	4,952,331	0	0	5,061,807
OTHER ACCRUED EXPENSES	116,339	108,875	(7,463)	7	84,460
PATIENT REFUNDS PAYABLE	12,920	8,639	(4,280)	50	961
DUE TO\FROM THIRD PARTIES	294,647	2,308,393	2,013,746	(87)	196,789
OTHER CURRENT LIABILITIES	1,416,889	1,553,286	136,397	(9)	3,132,834
TOTAL CURRENT LIABILITIES	28,189,940	26,900,938	(1,289,003)	5	24,309,166
LONG-TERM DEBT					
LEASES PAYABLE	5,442,390	5,449,158	6,768	0	5,529,504
BONDS PAYABLE	31,742,121	32,990,641	1,248,520	(4)	34,784,361
TOTAL LONG TERM DEBT	37,184,511	38,439,799	1,255,288	(3)	40,313,865
OTHER LONG-TERM LIABILITIES					
DEFERRED REVENUE	0	0	0	0	0
LONG-TERM PENSION LIABILITY	36,485,864	36,485,864	0	0	36,485,864
TOTAL OTHER LONG-TERM LIABILITIES	36,485,864	36,485,864	0	0	36,485,864
TOTAL LIABILITIES	101,860,315	101,826,601	(33,714)	0	101,108,895
NET ASSETS:					
UNRESTRICTED FUND BALANCE	23,376,814	23,376,814	0	0	23,376,814
RESTRICTED FUND BALANCE	93,877	93,825	(52)	0	165,193
NET REVENUE/(EXPENSES)	15,511,128	13,826,249	(1,684,879)	12	0
TOTAL NET ASSETS	38,981,819	37,296,888	(1,684,931)	5	23,542,007
TOTAL LIABILITIES AND NET ASSETS	140,842,134	139,123,489	(1,718,645)	1	124,650,902

Description	Target	MTD Actual	YTD Actual	YTD Target
Average Daily Census - Acute	19.39	18.87	15.06	18.39
Average Daily Census - SNF	90.01	81.57	89.07	90.00
Acute Length of Stay	2.72	3.03	2.89	2.92
<u>ER Visits:</u>				
Inpatient	96	133	1,465	1,809
Outpatient	2,051	2,190	25,328	23,453
Total	2,147	2,323	26,793	25,262
Days In Accounts Receivable	45.0	54.7	54.7	45.0
Productive Full-Time Equivalents	500.90	503.56	489.37	500.90
Net Patient Revenue	12,008,690	12,742,883	147,487,101	137,085,798
Payment-to-Charge Ratio	30.9%	34.1%	33.2%	31.4%
Medicare Traditional Payor Mix	30.51%	27.98%	26.95%	30.42%
Commercial Payor Mix	22.00%	21.03%	22.93%	21.60%
Bad Debt % of Gross Revenue	1.12%	2.50%	1.82%	1.12%
EBIDA	1,057,248	1,989,240	18,654,408	5,119,115
EBIDA %	8.40%	14.92%	12.07%	3.55%
Operating Margin	4.03%	9.69%	7.57%	-1.07%
Salaries, Wages, Registry & Benefits %:				
by Net Operating Revenue	57.99%	53.67%	55.45%	61.08%
by Total Operating Expense	60.42%	59.43%	60.00%	60.44%
<u>Bond Covenants:</u>				
Debt Service Ratio	1.25	9.88	9.88	1.25
Current Ratio	1.50	2.24	2.24	1.50
Days Cash on hand	30.00	92.58	92.58	30.00
Met or Exceeded Target				
Within 10% of Target				
Not Within 10%				

Statement of Cash Flows
Hazel Hawkins Memorial Hospital
Hollister, CA
Eleven months ending June 30, 2024

	CASH FLOW		COMMENTS
	Current Month 6/30/2024	Current Year-To-Date 6/30/2024	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$1,684,879	\$15,511,128	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	334,540	4,047,722	
(Increase)/Decrease in Net Patient Accounts Receivable	(1,768,747)	(1,186,557)	
(Increase)/Decrease in Other Receivables	(363,580)	3,049,428	
(Increase)/Decrease in Inventories	(1,493)	60,528	
(Increase)/Decrease in Pre-Paid Expenses	654,951	267,516	
(Increase)/Decrease in Due From Third Parties	0	892,695	
Increase/(Decrease) in Accounts Payable	2,919,737	3,454,691	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	507,663	2,000,332	
Increase/(Decrease) in Accrued Expenses	7,463	31,876	
Increase/(Decrease) in Patient Refunds Payable	4,280	11,957	
Increase/(Decrease) in Third Party Advances/Liabilities	(2,013,746)	97,858	
Increase/(Decrease) in Other Current Liabilities	(136,397)	(1,715,944)	Semi-Annual Int. - 2005 GO & 2021 Revenue Bonds
Net Cash Provided by Operating Activities:	144,671	11,012,102	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(411,429)	(1,646,508)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	2,588,515	(246,427)	Bond Principal & Int Payment - 2014 (2005) & 2021 Bonds
(Increase)/Decrease in Other Assets	6,071	72,852	Amortization
Net Cash Used by Investing Activities	2,183,157	(1,820,083)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Capital Lease Debt	(6,768)	(87,113)	
Increase/(Decrease) in Bond Mortgage Debt	(1,248,520)	(3,042,240)	2014 GO Principal & Refinancing of 2013 Bonds with 2021 Bonds
Increase/(Decrease) in Other Long Term Liabilities	0	0	
Net Cash Used for Financing Activities	(1,255,288)	(3,129,353)	
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	41,000	
Net Increase/(Decrease) in Cash	2,757,422	21,614,797	
Cash, Beginning of Period	32,506,771	13,649,396	
Cash, End of Period	\$35,264,193	\$35,264,193	\$0

Cost per day to run the District
Operational Days Cash on Hand

\$380,693
92.58

Hazel Hawkins Memorial Hospital
Supplemental Payment Programs
As of June 30, 2024

Payor	FY 2024	FY 2023	Notes:
Intergovernmental Transfer Programs:			
- AB 113 Non-Designated Public Hospital (NDPH)			
- SFY 2021/2022 True up for ACA			
- SFY 2022/2023 Interim			
- SFY 2022/2023 Final Payment			
- SFY 2023/2024 Interim			
- SB 239 Hospital Quality Assurance Fund (HOAF) CY 2022			
- SB 239 Hospital Quality Assurance Fund (HOAF) CY 2023			
- Rate Range Jan. 1, 2022 through Dec. 31, 2022			
- Rate Range Jan. 1, 2021 through Dec. 31, 2021			
- QIP PY 5 Settlement			
- QIP PY 4 1st Loan Repayment			
- QIP PY 4 2nd Loan Repayment			
- QIP PY 4 Settlement			
- QIP PY 4 Final True-up			
IGT sub-total	7,689,581	9,006,259	
Non-Intergovernmental Transfer Programs:			
- AB 915			
- SB 239 Hospital Quality Assurance Fund (HOAF)			
- SB 239 Hospital Quality Assurance Fund (HOAF)			
- Distinct Part, Nursing Facility (DP/NF)			
- Medi-Cal Disproportionate Share (DSH)			
- QIP PY 5			
Non-IGT sub-total	9,874,903	11,087,742	
CARES Act (COVID-19) Programs:			
- Cares Act Phase 4			
- American Rescue Plan (ARP)			
- SHIP Grant			
- Payroll Tax delay Pay dates 4/3 - 12/31/2020			
sub-total		(885,585)	
Program Grand Totals	17,564,484	19,208,416	
Total Received	16,494,907	18,075,133	
Total Pending	1,069,577	1,133,283	
	17,564,484	19,208,416	

Requires District to fund program and wait for matching return.

Received in June 2023.

Letter to participate sent by March 24, 2023 deadline. Rec'd 06/15/23.

Paid on 04/17/24, \$156,525.63, funds rec'd in June.

Paid on 04/24/24, \$506,883.51, funds rec'd in June.

Net amount rec'd on November 1, 2023 check for CY 2022.

IGT by March 22, 2024 of \$1,257,738, funds expected in May/June.

IGT by Feb. 23, 2024 of \$472,508, funds expected in April/May.

Funding of \$347,021 sent by 02/17/2023. Rec'd in May 2023.

IGT by Feb. 16, 2024 of \$1,891,350.65, funds expected in April/May.

Paid on 02/26/2024.

Paid on 04/08/2024.

\$ 1,044,187 funding sent by 02/17/2023. Plan returns May/June 2023.

Final True-up payment received on 06/02/2023.

Direct Payments.

Received on March 11, 2024.

Three of the four Qtrly payments should be received by June 30, 2024.

1st, 2nd & 3rd Qtrs rec'd on 03/19/2024, 05/23/2024 & 06/27/2024.

Based on actual cost difference.

Includes FY 2023 true-up \$607,644 and Jul - December FY 2024.

Loan funds received 1st week of January. Due January 3, 2025.

Rec'd 12/16/2021. One-time funding.

Rec'd 11/23/2021. One-time funding.

Will be used for COVID expenses.

Liability: 50% due 12/31/21 & 50% due 12/31/22.



CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

901 P Street, Room 313
Sacramento, CA 95814
p (916) 653-2799
f (916) 654-5362
chffa@treasurer.ca.gov
www.treasurer.ca.gov/chffa

July 5, 2024

Mark Robinson
Chief Financial Officer
Hazel Hawkins Memorial Hospital
911 Sunset Drive
Hollister, CA 95023

RE: Distressed Hospital Loan Program (DHLP)
Disbursement of Funds to San Benito Health Care District
dba Hazel Hawkins Memorial Hospital

Dear Mark Robinson:

California Health Facilities Financing Authority (CHFFA) has scheduled a wire to occur on July 5, 2024 in the amount of \$2,700,000.00, which represents the 1st Disbursement amount disbursed to fund your zero percent (0%) interest rate DHLP loan with CHFFA. Also, noted below is the monthly loan amount due and the 1st payment due date of the loan, per Section 2(e) of the Loan and Security Agreement.

Full Approved Loan Amount:.....	\$ 10,000,000.00
This Disbursement:	2,700,000.00
Total of Prior Disbursements to Date:	0.00
Amount Remaining to Disburse:	\$ 7,300,000.00

Please notify CHFFA's Loan Officer, Erica Rodriguez, by email at Erica.Rodriguez@treasurer.ca.gov or by phone at (916) 653-3841, the day the wire is received, so that CHFFA may track receipt of loan funds.

As a reminder, the principal sum of the loan in the amount of \$2,700,000.00 shall be repaid in equal monthly installments, commencing on the first day of the 19th month from the effective date of the Loan and Security Agreement until the principal sum of the loan is paid in full, which shall occur no later than 72 months from the date of the Loan and Security Agreement. In an event of default, as defined in the Loan and Security Agreement, CHFFA will begin the process to intercept 20% of your Medi-Cal checkwrite payments until the loan amount has been satisfied, as authorized by Section 3 of the Loan and Security Agreement.

Effective Date of Loan and Security Agreement:	July 1, 2024
Monthly Loan Amount Due:	\$50,000.00
Due Date	February 1, 2026

Please do not hesitate to contact us anytime with questions or concerns at chffa@treasurer.ca.gov or by phone at (916) 653-2799.

Sincerely,

Bianca Smith
Deputy Executive Director

MEMBERS

FIONA MA, CPA, CHAIR
California State Treasurer

MALIA M. COHEN
California State Controller

JOE STEPHENSHAW
Director of Finance

ANTONIO BENJAMIN

FRANCISCO SILVA

ROBERT CHERRY, M.D.

ROBERT HERTZKA, M.D.

KATRINA KALVODA

KERI KROPKE, M.A., M.A., CCC-SLP

EXECUTIVE DIRECTOR
CAROLYN ABOUBECHARA

CHFFA Distressed Hospital Loan Program
Loan Amortization - Zero Percent (0%) Fixed Interest Rate
San Benito Health Care District dba Hazel Hawkins Memorial Hospital
Loan and Security Agreement Effective Date: July 1, 2024
Version: July 2024

Page 1 of 2

Date	Payment Number	Payment Amount	Principal	Interest	Principal Balance	
Full Approved Loan Amount:					\$ 10,000,000.00	
Opening Balance - 1st Disbursement Amount					2,700,000.00	
Total of Prior Disbursement to Date:					-	
Amount Remaining to Disburse:					\$ 7,300,000.00	
Year Ending 12/31/2024						
8/1/2024	1	0.00	0.00	0.00	2,700,000.00	Deferred
9/1/2024	2	0.00	0.00	0.00	2,700,000.00	Deferred
10/1/2024	3	0.00	0.00	0.00	2,700,000.00	Deferred
11/1/2024	4	0.00	0.00	0.00	2,700,000.00	Deferred
12/1/2024	5	0.00	0.00	0.00	2,700,000.00	Deferred
Total Year Ending 12/31/2024		0.00	0.00	0.00	2,700,000.00	
Year Ending 12/31/2025						
1/1/2025	6	0.00	0.00	0.00	2,700,000.00	Deferred
2/1/2025	7	0.00	0.00	0.00	2,700,000.00	Deferred
3/1/2025	8	0.00	0.00	0.00	2,700,000.00	Deferred
4/1/2025	9	0.00	0.00	0.00	2,700,000.00	Deferred
5/1/2025	10	0.00	0.00	0.00	2,700,000.00	Deferred
6/1/2025	11	0.00	0.00	0.00	2,700,000.00	Deferred
7/1/2025	12	0.00	0.00	0.00	2,700,000.00	Deferred
8/1/2025	13	0.00	0.00	0.00	2,700,000.00	Deferred
9/1/2025	14	0.00	0.00	0.00	2,700,000.00	Deferred
10/1/2025	15	0.00	0.00	0.00	2,700,000.00	Deferred
11/1/2025	16	0.00	0.00	0.00	2,700,000.00	Deferred
12/1/2025	17	0.00	0.00	0.00	2,700,000.00	Deferred
Total Year Ending 12/31/2025		0.00	0.00	0.00	2,700,000.00	
Year Ending 12/31/2026						
1/1/2026	18	0.00	0.00	0.00	2,700,000.00	Deferred
2/1/2026	19	50,000.00	50,000.00	0.00	2,650,000.00	
3/1/2026	20	50,000.00	50,000.00	0.00	2,600,000.00	
4/1/2026	21	50,000.00	50,000.00	0.00	2,550,000.00	
5/1/2026	22	50,000.00	50,000.00	0.00	2,500,000.00	
6/1/2026	23	50,000.00	50,000.00	0.00	2,450,000.00	
7/1/2026	24	50,000.00	50,000.00	0.00	2,400,000.00	
8/1/2026	25	50,000.00	50,000.00	0.00	2,350,000.00	
9/1/2026	26	50,000.00	50,000.00	0.00	2,300,000.00	
10/1/2026	27	50,000.00	50,000.00	0.00	2,250,000.00	
11/1/2026	28	50,000.00	50,000.00	0.00	2,200,000.00	
12/1/2026	29	50,000.00	50,000.00	0.00	2,150,000.00	
Total Year Ending 12/31/2026		550,000.00	550,000.00	0.00	2,150,000.00	
Year Ending 12/31/2027						
1/1/2027	30	50,000.00	50,000.00	0.00	2,100,000.00	
2/1/2027	31	50,000.00	50,000.00	0.00	2,050,000.00	
3/1/2027	32	50,000.00	50,000.00	0.00	2,000,000.00	
4/1/2027	33	50,000.00	50,000.00	0.00	1,950,000.00	
5/1/2027	34	50,000.00	50,000.00	0.00	1,900,000.00	
6/1/2027	35	50,000.00	50,000.00	0.00	1,850,000.00	
7/1/2027	36	50,000.00	50,000.00	0.00	1,800,000.00	

CHFFA Distressed Hospital Loan Program
Loan Amortization - Zero Percent (0%) Fixed Interest Rate
San Benito Health Care District dba Hazel Hawkins Memorial Hospital
Loan and Security Agreement Effective Date: July 1, 2024
Version: July 2024

Page 2 of 2

Date	Payment Number	Payment Amount	Principal	Interest	Principal Balance
8/1/2027	37	50,000.00	50,000.00	0.00	1,750,000.00
9/1/2027	38	50,000.00	50,000.00	0.00	1,700,000.00
10/1/2027	39	50,000.00	50,000.00	0.00	1,650,000.00
11/1/2027	40	50,000.00	50,000.00	0.00	1,600,000.00
12/1/2027	41	50,000.00	50,000.00	0.00	1,550,000.00
Total Year Ending 12/31/2027		600,000.00	600,000.00	0.00	1,550,000.00
Year Ending 12/31/2028					
1/1/2028	42	50,000.00	50,000.00	0.00	1,500,000.00
2/1/2028	43	50,000.00	50,000.00	0.00	1,450,000.00
3/1/2028	44	50,000.00	50,000.00	0.00	1,400,000.00
4/1/2028	45	50,000.00	50,000.00	0.00	1,350,000.00
5/1/2028	46	50,000.00	50,000.00	0.00	1,300,000.00
6/1/2028	47	50,000.00	50,000.00	0.00	1,250,000.00
7/1/2028	48	50,000.00	50,000.00	0.00	1,200,000.00
8/1/2028	49	50,000.00	50,000.00	0.00	1,150,000.00
9/1/2028	50	50,000.00	50,000.00	0.00	1,100,000.00
10/1/2028	51	50,000.00	50,000.00	0.00	1,050,000.00
11/1/2028	52	50,000.00	50,000.00	0.00	1,000,000.00
12/1/2028	53	50,000.00	50,000.00	0.00	950,000.00
Total Year Ending 12/31/2028		600,000.00	600,000.00	0.00	950,000.00
Year Ending 12/31/2029					
1/1/2029	54	50,000.00	50,000.00	0.00	900,000.00
2/1/2029	55	50,000.00	50,000.00	0.00	850,000.00
3/1/2029	56	50,000.00	50,000.00	0.00	800,000.00
4/1/2029	57	50,000.00	50,000.00	0.00	750,000.00
5/1/2029	58	50,000.00	50,000.00	0.00	700,000.00
6/1/2029	59	50,000.00	50,000.00	0.00	650,000.00
7/1/2029	60	50,000.00	50,000.00	0.00	600,000.00
8/1/2029	61	50,000.00	50,000.00	0.00	550,000.00
9/1/2029	62	50,000.00	50,000.00	0.00	500,000.00
10/1/2029	63	50,000.00	50,000.00	0.00	450,000.00
11/1/2029	64	50,000.00	50,000.00	0.00	400,000.00
12/1/2029	65	50,000.00	50,000.00	0.00	350,000.00
Total Year Ending 12/31/2029		600,000.00	600,000.00	0.00	350,000.00
Year Ending 12/31/2030					
1/1/2030	66	50,000.00	50,000.00	0.00	300,000.00
2/1/2030	67	50,000.00	50,000.00	0.00	250,000.00
3/1/2030	68	50,000.00	50,000.00	0.00	200,000.00
4/1/2030	69	50,000.00	50,000.00	0.00	150,000.00
5/1/2030	70	50,000.00	50,000.00	0.00	100,000.00
6/1/2030	71	50,000.00	50,000.00	0.00	50,000.00
7/1/2030	72	50,000.00	50,000.00	0.00	0.00
Total Year Ending 12/31/2030		350,000.00	350,000.00	0.00	0.00
Grand Total		2,700,000.00	2,700,000.00	0.00	0.00

Board of Directors Contract Review Worksheet

Agreement for Professional Services with Letitia Bradford, M.D.



Executive Summary: Dr. Letitia Bradford is a board-certified orthopedic surgeon and fellow of both the American Academy of Orthopedic Surgeons and the American College of Surgeons specializing in general orthopedics and total joint replacements. She completed her orthopedic surgery residency at UCSF. Since October 2023, Dr. Bradford has been providing coverage on a locum tenens basis and she has quickly become a favorite among patients due to her exceptional care and expertise.

Recommended Board Motion: It is recommended the hospital Board approve the Professional Services Agreement with Letitia Bradford, M.D. at a rate of \$3,580 per coverage day.

Services Provided: Clinic, hospital & emergency orthopedic call coverage a minimum of 6-10 days per month.

Agreement Terms:

Contract Term	Effective Date	FMV %ile	Estimated Base Monthly Cost	Estimated Annual Cost	Term clause
2 years	8/5/2024	<75th	Month 1-6: \$21,480 Month 7-24: \$35,800	Year 1: \$343,680 Year 2: \$429,600	60 days

SAN BENITO HEALTH CARE DISTRICT

ORTHOPEDIC SURGERY COVERAGE AGREEMENT

This Orthopedic Surgery Coverage Agreement ("Agreement") is made and entered into as of **August 1, 2024** ("Effective Date"), by and between **San Benito Health Care District**, a local healthcare district organized and operating pursuant to Division 23 of the California Health and Safety Code ("SBHCD"), and **Letitia Bradford, M.D.** ("Physician").

RECITALS

- A. SBHCD owns and operates Hazel Hawkins Memorial Hospital, a general acute care facility ("Hospital") and multispecialty community medical clinics ("Clinic"), which includes orthopedic surgery services, and requires 24-hour per day coverage by an appropriately privileged physician ("Orthopedic Services").
- B. Physician is licensed to practice medicine in the State of California, is a member in good standing of the Medical Staff of Hospital, has and maintains the appropriate privileges to provide Coverage Services, and agrees to provide the Orthopedic Services.

The parties hereby agree as follows:

1. SERVICES

- 1.1 Professional Services. Orthopedic Services by Physician shall be provided in accordance with the Hospital Medical Staff Bylaws, Rules and Regulations, and Clinic/Hospital's policies and procedures, as they may be amended from time to time, in addition to all requirements imposed by federal and California state law and all standards and recommendations of The Joint Commission.
 - 1.1.1 Orthopedic Services. Beginning on the Effective Date of this Agreement, Physician shall be available to provide Orthopedic Services in Year One for a minimum of thirty (30) shifts during the first six (6) months of this Agreement, then a minimum of sixty (60) shifts beginning month seven (7) through month twelve (12). Then, in Year Two, Physician shall be available to provide Orthopedic Services for a minimum of ten (10) shifts per month, as further described in Exhibit A of this Agreement. Orthopedic Services will include Hospital services, Hospital call coverage services, and Clinic services. Physician shall provide her schedule to SBHCD at least thirty (30) days in advance and SBHCD shall schedule Physician for the minimum number of shifts as mutually agreed upon.
 - 1.1.2 Reports. Physician shall promptly report the results of Orthopedic Services to the patient's attending physician(s), if any, in accordance with the policies and procedures established by SBHCD and Hospital Medical Staff. Physician shall promptly prepare all written reports and medical records required by SBHCD with reference to such services by Physician. SBHCD retains ownership and right of control of all reports, records, and supporting documents prepared in connection with Orthopedic Services performed by Physician, and SBHCD shall be custodian of all patient records. Physician shall cooperate fully with SBHCD by maintaining and making available all necessary records, or by executing any agreements, in order to assure that SBHCD will be able to meet all requirements for participation and payment associated with public or private third-party payment programs, including but not limited to the Federal Medicare program. Physician shall use Hospital's/Clinic's electronic medical record as applicable.
- 1.2 Licensure. Physician shall at all times during the term of this Agreement be licensed to practice medicine in the State of California, shall maintain Federal Drug Enforcement Administration

certification, and shall maintain membership in good standing on the Medical Staff of the Hospital with the appropriate privileges to render Orthopedic Services.

- 1.3 Control and Direction. SBHCD shall not exercise any control or direction over the professional (medical) aspects of providing Orthopedic Services, which control and direction shall be the sole responsibility of Physician; provided, however, that such Orthopedic Services are rendered in accordance with the provisions of this Agreement and the Bylaws, Rules and Regulations, standards, and policies of Hospital, its Medical Staff and Clinic, The Joint Commission, and any other regulatory agency with jurisdiction over one of the parties covering matters subject to this Agreement.
- 1.4 Independent Contractor Status. This Agreement shall not be construed to create any agency or employment relationship between SBHCD or any of its affiliates, and the Physician. Physician is an independent contractor and shall be solely responsible for payment of all wages and salaries, taxes, withholding payments, penalties, fees, contributions to insurance and pension or other deferred compensation plans (including, but not limited to, workers' compensation and Social Security contributions), licensing and registration fees. Physician shall not make any claim that SBHCD is responsible for the payment or filing of any of the foregoing payments, withholdings, contributions, taxes, or documents.

2. SBHCD RESPONSIBILITIES

- 2.1 General. SBHCD shall provide the space, furniture, equipment, supplies, personnel, and services that SBHCD deems reasonably necessary for the provision of Orthopedic Services under this Agreement. Physician shall use such space, items, and services only for the performance of the Orthopedic Services required by this Agreement.
- 2.2 Non-Physician Personnel. SBHCD shall be solely responsible for all salaries, other compensation, employer's payroll taxes, workers' compensation coverage, and fringe benefits, for SBHCD employed non-physician personnel associated with the provision of Orthopedic Services and administrative services under this Agreement. SBHCD retains full authority to employ, appoint, discipline, transfer and terminate such non-physician personnel.
- 2.3 Management. SBHCD shall, at all times, retain and exercise ultimate responsibility for and management and operation of the Hospital and the Clinics. Further, SBHCD in its sole discretion shall determine and set hours of operation for the Clinic and operating room.
- 2.4 Professional Liability Coverage. SBHCD and Hospital shall maintain general and professional liability insurance coverage for Physician for Services provided by Physician to SBHCD patients during the term of this Agreement in a minimum amount of \$1,000,000 per occurrence and \$3,000,000 annual aggregate. In the event the coverage that SBHCD and/or Hospital obtains to comply with this Section of this Agreement is a "claims made" policy, and SBHCD or Hospital, as applicable, changes insurance carriers or terminates coverage upon or after termination of this Agreement, SBHCD or Hospital, as applicable, shall immediately obtain and shall maintain "tail" coverage in the amounts otherwise required under this Section for at least seven (7) years following termination of this Agreement.

3. COMPENSATION

- 3.1 Compensation. SBHCD shall compensate Physician for Physician's Orthopedic Services in accordance with Exhibit B of this Agreement. Incorporated into compensation under this Agreement, unless specifically excluded, are all the Physician's sources of practice revenues and income from SBHCD, including medical staff emergency call stipends, other on-call fees, stipends and reading fees.
- 3.2 Payment. Payment for Orthopedic Services will be on a monthly basis, for Orthopedic Services provided in the prior month, based on the final schedule and in accordance with the SBHCD contract payment process.

- 3.3 Billing and Collection. Physician hereby assigns to SBHCD all claims, demands and rights of Physician to bill and collect for all Orthopedic Services rendered to SBHCD patients, regardless of site of service. Physician shall not bill or collect for any services rendered to SBHCD patients, and all SBHCD receivables and billings shall be the sole and exclusive property of SBHCD. Any payments made pursuant to a payor agreement (including co-payments made by patients) shall constitute revenue of SBHCD. In the event any payment is made to Physician pursuant to any payor agreement, Physician shall promptly remit such payment directly to SBHCD. Physician shall timely complete any documents or forms necessary to document the assignment set forth in this section.
- 3.4 Assignment of Professional Service Revenues. Physician hereby assigns to SBHCD the right to all revenue from all patients, third-party payors, and governmental programs for all Orthopedic Services rendered by Physician at the Hospital and the Clinic under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Physician Services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 302.7.
- 3.5 Form W-9. Physician shall complete and provide to SBHCD a W-9 form.

4. TERM AND TERMINATION

- 4.1 Term. The term of this Agreement shall commence on the Effective Date and continue for a period of two (2) years, unless earlier terminated pursuant to the terms of this Agreement.
- 4.2 Termination without Cause. Either party may terminate this Agreement, without stating a cause or reason and without penalty, at any time by giving sixty (60) days' prior written notice of termination to the other party. Should this Agreement be terminated prior to the end of one (1) year from the Effective Date, the parties shall not renegotiate the terms of this Agreement or any other financial arrangement between the parties for the same services for the duration of one (1) year from the Effective Date.
- 4.3 Termination for Default. Either party may terminate this Agreement in the event of a material breach or default under this Agreement by the other party by giving written notice specifying the grounds for such termination. Such termination shall be effective fifteen (15) calendar days after the giving of written notice of termination if the default or breach specified in the notice shall not have been cured.
- 4.4 Termination for Cause. Either party shall have the right to terminate this Agreement if performance of the Agreement violates any applicable law, regulation, bond covenant, licensure requirement, or accreditation standard.
- 4.5 Termination by SBHCD. This Agreement shall terminate immediately, upon notice to Physician, if Physician:
- 4.5.1 Dies or is disabled for more than thirty (30) consecutive days or more than forty-five (45) days in a ninety (90) day period;
 - 4.5.2 Has his or her Medical Staff membership, Medical Staff clinical privileges, or license to practice medicine terminated (whether voluntarily or involuntarily), restricted, or suspended;
 - 4.5.3 Is convicted of any crime punishable as a felony (whether final or on appeal) or is excluded from participation in any state or federal health care program, including but not limited to Medicare or Medicaid;
 - 4.5.4 Fails to meet the requirements of this Agreement; or
 - 4.5.5 Fails to qualify for the required professional liability insurance.

5. COMPLIANCE

- 5.1 **Applicable Laws.** Physician agrees, represents, and warrants that Physician will maintain full compliance with all applicable federal, state, and local laws and regulations, including, without limitation, laws and regulations regarding billing for services. Nothing in this Agreement shall be construed to require SBHCD or Physician to make referrals of patients to one another. No payment is made under this Agreement in return for the referral of patients or in return for the ordering, purchasing, or leasing of products or services from SBHCD. Furthermore, the Parties acknowledge, agree, and warrant to the other that the compensation provided under this Agreement is not in excess of the fair market value of the services rendered.
- 5.2 **Compliance Program.** Physician acknowledges that SBHCD has implemented a Compliance Program for ensuring that the provision of, and billing for, care at the Hospital and the Clinic complies with applicable federal and state laws (“Compliance Program”). Physician agrees to adhere to, abide by, and support the Compliance Program and policies promulgated therein.
- 5.3 **Physician Warranties.** Upon execution of this Agreement, Physician agrees, represents and warrants that Physician: (i) has not been convicted of a criminal offense related to healthcare (unless Physician has been officially reinstated into the federal healthcare programs by the Office of Inspector General and provided proof of such reinstatement to SBHCD); (ii) is not currently under sanction, exclusion or investigation (civil or criminal) by any federal or state enforcement, regulatory, administrative or licensing agency or is ineligible for federal or state program participation; or (iii) is not currently listed on the General Services Administration list of parties excluded from the federal procurement and non-procurement programs. Physician agrees that if Physician becomes involved in a pending criminal action or civil proposed debarment or exclusion related to any federal or state healthcare program, Physician shall immediately notify SBHCD administration and SBHCD shall then have the right to terminate this Agreement.
- 5.4 **Patient Confidentiality.** As a member of an Organized Health Care Arrangement with Hospital, Physician has access to patient health information, including as necessary to perform services under this Agreement. Federal, State and local laws and regulations, including the California Confidentiality of Medical Information Act, California Privacy Laws, and the Federal Health Insurance Portability and Accountability Act of 1996 and associated regulations (HIPAA), (“collectively “Privacy Regulations”), require providers to implement policies and procedures to protect the privacy and security of individually identifiable patient information (“protected health information” or “PHI”) and to afford individuals certain rights with regard to their health information. Physician shall comply with all Privacy Regulations duly implemented by SBHCD in the use and/or disclosure of patient-identifiable health care information that is received from Hospital/Clinic in the course of furnishing services under this Agreement.
- 5.5 **Access to Records.** In accordance with Section 952 of the Omnibus Reconciliation Act of 1980 (PL 96-499), in the event that any of the services to be performed under this Agreement are compensated to Physician in an amount of \$10,000 or more over a twelve (12) month period, Physician agrees that the books and records related to Physician’s compensation under this Agreement will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement.

6. GENERAL PROVISIONS.

- 6.1 **No Requirement to Refer.** Nothing in this Agreement, or in any other written or oral agreement, or any consideration in connection with this Agreement contemplates or requires the admission or referral of

any patient to SBHCD or Hospital. This Agreement is not intended to influence Physician's judgment in choosing the medical facility appropriate for the proper care and treatment of Physician's patients.

- 6.2 **Assignment.** Physician shall have no right to assign, delegate or in any manner transfer all or any portion of his interest, obligation or duty under this Agreement, without first obtaining the written consent of SBHCD, which consent shall be in SBHCD' sole and absolute discretion.
- 6.3 **Waiver.** Any waiver of any terms and conditions of this Agreement shall not be effective unless set forth in writing signed by the parties to this Agreement. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms and conditions of this Agreement or a continuing waiver of the terms and conditions waived.
- 6.4 **Entire Agreement/Amendments.** This Agreement, including its attachments and exhibits, constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement. This Agreement supersedes all prior agreements or understandings of the parties which relate to the subject matter of this Agreement. No supplement, amendment or modification of this Agreement shall be binding unless executed in writing and signed by all parties to this Agreement.
- 6.5 **Governing Law.** This Agreement shall be governed by and interpreted under the laws of the State of California. Venue shall be in San Benito County, California.
- 6.6 **Partial Invalidity.** If a lawful forum finds any part of this Agreement invalid or unenforceable, such finding shall not invalidate the remaining provisions, unless such invalidity or unenforceability would defeat an essential business purpose of this Agreement
- 6.7 **Non-Discrimination.** Physician represents and warrants that, in providing services hereunder, he or she is, and at all times during this Agreement will be, in full compliance with California Health and Safety Code Section 1317 et seq. Physician further represents and warrants that he or she shall not discriminate against or refuse to provide care and services to any patient on the basis of race, ethnicity, religion, national origin, citizenship, age, sex, pre-existing medical condition, physical or mental handicap, insurance status, economic status or ability to pay for medical services.
- 6.8 **Notices.** All notices under this Agreement shall be in writing and sufficient if personally delivered, sent by overnight delivery, or sent by certified or registered mail, return receipt requested, postage prepaid, to each parties' current address appearing above the signatures of the parties to this Agreement. All notices shall be deemed given on the date of delivery if delivered personally or by overnight delivery, or three (3) business days after such notice is deposited in the United States mail, addressed, and sent as provided above.

The parties have executed this Agreement as of the Effective Date first written above.

SBHCD
San Benito Health Care District

PHYSICIAN
Letitia Bradford, M.D.

By: _____
Mary T. Casillas, Chief Executive Officer

Letitia Bradford, M.D.

Date: _____

Date: _____

EXHIBIT A

ORTHOPEDIC SERVICES

A.1 Professional Services. Physician's Orthopedic Services under this Agreement shall include the usual and typical professional medical activities of a board-certified orthopedic surgeon, including but not limited to Hospital care for Physician's patients, surgical assisting, patient rounds, consultations, Clinic patient services, and on-call coverage for the Hospital and its emergency department and operating rooms. More specifically, Physicians Orthopedic Services shall include:

A.1.1 Hospital Services. Physician shall provide the following Hospital Services:

A.1.1.1 Participation in multi-disciplinary rounds as requested and in coordination with other physicians providing services in his specialty. During the multi-disciplinary rounds, Physician will assist in the evaluation and management of patients, and when necessary, may intervene in the care of patients. Physician shall report information in a timely manner to the attending physician.

A.1.1.2 Consultations, upon request, to members of the Hospital's Medical Staff managing their own patients or concerning the application of the admission or discharge criteria or the admission or discharge of Physician's patients.

A.1.1.3 Assistance with the management and treatment of patients for whom Physician is responsible as part of a multi-disciplinary team. When the patient has an attending/referring physician, Physician shall include such physician in decision-making and keep such physician informed.

A.1.2 Clinic Services. Physician shall provide the following Clinic Services:

A.1.2.1 Render evaluation, management, surgical and non-surgical services to orthopedic patients.

A.1.2.2 The coordination of medical activities of the Clinic to be accomplished through continuous communication with appropriate SBHCD administrative personnel regarding matters relating to the orthopedic medical administration of the Clinic.

A.1.2.3 Provide chart review and audits of appropriate mid-level practitioner staff, as needed.

A.1.3 Hospital Call Coverage Services. During the hours when Physician is providing Hospital Call Coverage Services, Physician must respond by telephone within fifteen (15) minutes, and Physician must be physically present within sixty (60) minutes. Hospital Call Coverage Services include availability to the emergency department, the operating rooms, and to inpatient units.

A.2 Additional Services

A.2.1 Communication with Referring Physicians. When furnishing care to patients upon the referral by another physician, Physician shall provide the referring physician with appropriate follow-up oral reports and updates on the patient's course of treatment and condition in a manner and frequency consistent with the patient's condition. When Physician discharges any patient referred by another physician, Physician shall provide the referring physician with Physician's

recommendations concerning appropriate patient follow-up care if Physician will no longer be following the patient.

- A.2.2 Communication. Physician shall maintain an effective communication process to interface with patients, patients' attending and specialist physicians, staff at the Hospital and Clinic, and the public, with the goal of enhancing patient satisfaction and the quality of care.
- A.3 Schedule. Depending on the needs of SBHCD and the availability of Physician, Physician's scheduled Shift shall consist of a variety of the following types of shifts:
- A.3.1 Day Shift – where Physician is providing services in the Clinic and the Hospital operating room generally between the hours of 7:30 a.m. and 5:00 p.m. Monday through Friday. This shift includes availability for scheduled and walk-in Clinic patients, performance of scheduled and unscheduled surgical procedures, availability for Hospital consults, patient rounds, and assisting in the operating room.
- A.3.2 24-hour Shift – where Physician is scheduled to respond to SBHCD for Hospital inpatients, the emergency department, and the operating room for consultations, assisting in surgery, and performing surgery in accordance with the response times outlined in Section A.1.3. A 24-hour shift begins at 7:00 a.m. and ends at 6:59 a.m. the next morning. A 24-hour shift includes daily patient rounds on all hospitalized orthopedic service patients.
- A.3.3 Combination Shift – where Physician is providing both Day Shift and 24-hour shift activities in the same day.

EXHIBIT B

COMPENSATION, HOUSING & REIMBURSEMENT OF EXPENSES

- B.1 Shift Compensation. As full compensation for each shift worked by Physician, SBHCD shall pay Physician the amount of **Three Thousand Five Hundred Eighty Dollars (\$3,580.00)**.
- B.2 Housing. SBHCD will provide Physician with local housing accommodations as approved in advance in writing by Physician while Physician is providing Orthopedic Services under this Agreement at a rate consistent with local market occupancy rates. Housing accommodation is to be used from arrival the day before the start of the shift and ending on the last day of shift or morning after if providing emergency call coverage.
- B.3. Expense Reimbursement. SBHCD will reimburse Physician for: (1) round trip mileage at the standard Internal Revenue Service rate, between Physician's home/office and SBHCD, (2) standard rental car expenses, (3) round-trip coach flight expenses limited to flights within the continental United States under the normal monthly SBHCD payment process. Physician shall submit an itemized invoice within ten (10) days of the conclusion of each month for expenses from the prior month.

Resolution No. 2024-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BENITO HEALTH CARE DISTRICT TO APPROVE TERMS FOR A LEASE, WITH OPTION TO PURCHASE, OF THE DISTRICT'S ASSETS WITH INSIGHT FOUNDATION OF AMERICA

WHEREAS, the San Benito Health Care District, a California Local Health Care District (“District”) is governed by the Health Care District Law (Health & Safety Code sections 32000 et seq.);

WHEREAS, the District owns and operates certain health care facilities in the County of San Benito, California (“County”), including Hazel Hawkins Memorial Hospital (“Hazel Hawkins”), two skilled nursing facilities, five rural health clinics, two community health clinics, and two satellite lab/draw stations;

WHEREAS, 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, due to multiple factors affecting hospitals and other health care providers for many years, the District declared a fiscal emergency on November 4, 2022, and filed for Chapter 9 bankruptcy on May 23, 2023;

WHEREAS, despite the efforts over the past several years of the District’s management and Board of Directors (“Board”) to reduce expenses, uncontrollable increases in expenses and decreases in revenues have created an operating gap and cash flow deficit that threatens the District’s long-term fiscal viability and, if allowed to continue, could threaten patient care and patient safety;

WHEREAS, since November 2022, the District engaged consultants to conduct a comprehensive marketing process to solicit and identify potential transaction partners;

WHEREAS, in March 2023, the District Board established certain criteria to assess the viability and quality of offers submitted by potential transaction partners: 1) Demonstrate a longstanding history and experience of hospital administration; 2) A proven track record of maintaining quality of care; 3) Able to mitigate risks and liabilities, while furthering the development the District’s assets and expansion of care; 4) Proven record for turning around distressed rural hospitals; 5) No track record of rapid asset liquidations; 6) Understand the terms and conditions of the general obligation and revenue bonds, including their payoff; and 7) Provide a proof of funds and/or sufficient financing to meet a buyer’s proposed transaction;

WHEREAS, in March 2023, the District also appointed a Temporary Advisory Committee (“TAC”) to identify potential affiliation and strategic partner models and make full recommendations to the Board;

WHEREAS, the District TAC and Board have engaged in discussions and negotiations with several potential transaction partners, including American Advanced Management, the San

Benito Healthcare Alliance, the County of San Benito (“County”), and considered a range of operational models and affiliations, none of which met established criteria or produced a viable transaction;

WHEREAS, Insight Foundation of America (“Insight”) submitted a proposal to the District on January 10, 2024 regarding a potential transaction involving the transfer of District assets;

WHEREAS, the District entered into negotiations with Insight, and has engaged in an extensive due diligence process, and considered public testimony at multiple community forums and public meetings since January 2024;

WHEREAS, in May 2024, the District ultimately determined that a lease, with option to purchase, would provide the optimal choice for continued long-term sustainability of health care services and for meeting the Board’s described objectives;

WHEREAS, pursuant to Board direction on June 5, 2024, the District and Insight negotiated a Term Sheet pursuant to which Insight would form a California non-profit public benefit corporation, with Insight as its sole member, to lease the hospital and other health care facilities for five years, at fair market value, with the option to purchase the facilities at the end of the five years. A copy of the Term Sheet is attached hereto as **Exhibit A** (“Term Sheet”);

WHEREAS, pursuant to the Term Sheet, Insight agrees to: 1) maintain all existing services during the term of the five-year lease, and for the subsequent five years after Insight acquires the District assets; 2) extend employment offers to a minimum of 90% of the existing District workforce; and 3) prior to any sale by Insight, Insight shall provide the District with a right of first refusal to repurchase the transferred assets and real estate;

WHEREAS, in the judgment of the Board following multiple public meetings and public comment, it is advisable to lease, with the option to purchase, substantially all of the assets of the District to Insight or another qualified buyer for the purposes of providing healthcare to the community for fair market value and in accordance with the Term Sheet to be more fully set forth in agreements to be presented for approval to the Board;

WHEREAS, pursuant to California Health and Safety Code Section 32121(p), before the District transfers fifty percent (50%) or more of the District’s assets, in sum or in increments, the Board shall, by resolution, submit to the voters of the District a measure proposing the transfer;

WHEREAS, the District obtained an opinion (“Valuation Report”) dated April 2024 from HealthCare Appraisers, Inc., an independent consultant with expertise in methods of appraisal and valuation and in accordance with the applicable government and industry standards for appraisal and valuation, that such transfer of assets for such consideration as set forth in the Term Sheet will constitute fair and reasonable consideration to be received by the District for the transferred assets, and such determination will constitute fair market value in accordance with the requirements of section 32121(p)(1) of the Health Care District Law;

WHEREAS, the Board determines it is appropriate to request the Elections Official to place a measure on the ballot for the upcoming November 5, 2024 election to submit to the District's voters the proposal to lease, with the option to purchase, substantially all of the District's assets in accordance with the Term Sheet;

WHEREAS, the measure setting forth the proposal with Insight may be approved by the electorate by a simple majority of qualified voters;

WHEREAS, based upon the District's discussions and negotiations with Insight, the Board of Directors of the District finds that the transfer of assets to Insight, or another qualified buyer, pursuant to the provisions of the Term Sheet, and for the purpose of providing health care to the community, is necessary to provide the greatest assurance to the residents of the District of continued local emergency and hospital services;

WHEREAS, the District Board finds that the transaction contemplated by the Term Sheet is the best alternative to other proposals it considered;

WHEREAS, the District has determined it is in the best interests of the District and the communities served by the District, and in furtherance of the District's mission, that the District consummate the transactions contemplated by the Term Sheet, subject to voter approval;

NOW THEREFORE, BE IT RESOLVED AND ORDERED by the San Benito Health Care District Board of Directors as follows:

SECTION 1. The District Board of Directors hereby finds and determines that the foregoing recitals are severally ratified, confirmed, approved and adopted in all respects.

SECTION 2. The District Board approves the form, terms and provisions of the Term Sheet in all respects.

SECTION 3: The District shall submit to the voters of the District a measure proposing to approve the transfer of assets as contemplated by the Term Sheet.

SECTION 4: The District finds the requirements of Health & Safety Code section 32121(p)(1) are satisfied in that the District will receive fair, reasonable, and adequate consideration for its facilities and assets based upon the April 2024 Valuation Report by HealthCare Appraisers, an independent consultant with expertise in methods of appraisal and valuation of such facilities and assets and in accordance with applicable governmental and industry standards for appraisal and valuation.

SECTION 5: The Board authorizes the President or Vice President of the Board and/or Chief Executive Office to negotiate and prepare or cause to be prepared the lease and purchase agreements in the form to be submitted to the Board after review and advice of legal counsel and other consultants to the District, and to proceed with the preparation of the terms of the lease and purchase agreement together with such other and reasonable terms and conditions, schedules and

exhibits appropriate thereto, provided that such terms, conditions, schedules and exhibits do not materially alter the substantive economic terms of the proposed transfer.

SECTION 6. Contingent upon voter approval and following the negotiation and drafting of the lease and asset purchase agreements, the definitive documents shall be presented at a duly noticed public meeting of the Board for approval and execution.

PASSED AND ADOPTED this 25th day of July, 2024 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Jeri Hernandez, President

Attested: _____
Josie Sanchez, Secretary



June 10, 2024

Hazel Hawkins Memorial Hospital
911 Sunset Drive
Hollister, CA 95023
Attention: President and Chief Executive Officer

Re: Non-Binding Proposal to Purchase the Assets of Hazel Hawkins Memorial Hospital.

Ladies and Gentlemen:

This letter (this “Term Sheet”) summarizes the principal terms of a proposed transaction (the “Transaction”) between (i) a yet-to-be-formed California nonprofit public benefit corporation that would have Insight Foundation of America, a Michigan nonprofit corporation, as its sole member (“Purchaser”) and (ii) Hazel Hawkins Memorial Hospital, a California health care district (“Hospital” or “Seller”), pursuant to which Purchaser would acquire certain of the assets of Hospital and continue to operate the Hospital’s acute-care hospital and other facilities (collectively, the “Facilities”). For purposes of this Term Sheet, Purchaser and Hospital, as the parties to the Transaction, shall be collectively referred to as the “Parties” and individually referred to as a “Party”.

1. Proposed Principal Terms and Conditions of the Transaction.

Parties to Transaction:

Purchaser shall be the purchaser and Hospital shall be the seller under one or more definitive agreements with respect to the Transaction, including without limitation an Asset Purchase Agreement (the “Purchase Agreement”).

Purchaser shall provide customary parent guarantees with respect to the obligations of Purchaser in connection with the Transaction, including, but not limited to, the obligations of Purchaser to provide indemnification pursuant to the terms of the Purchase Agreement.

Purchaser will be a California nonprofit public benefit corporation duly incorporated and operated in compliance with state and federal law. Purchaser will provide in writing copies of its conflict of interest policy(ies) and all formation and governing documents.

Acquired Assets:

Subject to compliance with all applicable laws, rules and regulations, Purchaser shall purchase all right, title and interest, free and clear of any liens or liabilities, in and to all of

Hospital's properties and assets set forth on Exhibit A, which shall include substantially all of the personal property used in the Hospital's operation of the Facilities (the "Acquired Assets").

Real Estate:

The Parties would separately enter into a lease agreement which would (i) include the Hospital's real property associated with the operation of the Facilities (the "Real Estate") in the Acquired Assets and (ii) enter into a Lease (the "Lease") under which Purchaser would lease the Real Estate from Seller for five (5) years at a lease rate in the range that an independent third party assesses as a fair market value lease rate and on arms'-length terms and conditions, taking into account that the Lease would grant Purchaser the option to purchase the Real Estate and Ground at the expiration of the lease term.

Assumed Liabilities:

Purchaser shall only assume (a) liabilities arising out of the acquisition or operation of the Acquired Assets for periods following the Closing Date and (b) the assumption, purchase or other satisfaction of other liabilities of Hospital as determined by Purchaser in its sole and absolute discretion, including designated trade creditor claims, designated vendor arrangements and Designated Contracts (collectively, the "Assumed Liabilities"). For purposes of this Term Sheet, the closing of the Transaction shall be the "Closing" and the date on which the Closing occurs and takes effect shall be the "Closing Date".

Excluded Assets:

Purchaser shall not acquire, and Hospital shall retain all asset of Hospital that are not included on Exhibit A, including without limitation the Real Estate (collectively, the "Excluded Assets").

Excluded Liabilities:

Other than the Assumed Liabilities, Purchaser shall not assume or otherwise be responsible or liable for or obligated with respect to any debt, liability, taxes, undertaking, expense or other obligation of Hospital or any of its subsidiaries or related to any of the Acquired Assets of any kind, character or description (collectively, the "Excluded Liabilities").

Purchase Price:

The purchase price for the Acquired Assets shall be comprised of a cash amount in the range that an independent third party assesses as a fair market value as of the Closing Date, with the fair market value taking into account the seismic retrofit and the covenants agreed to in the Purchase Agreement. The purchase price for the Acquired Assets shall be paid in cash at

the Closing; provided, that in all events the cash at the Closing received by Hospital would be sufficient for Hospital to fund all obligations and liabilities that would become due at the Closing, including without limitation any bond obligations that would be in default if not paid in full at the Closing.

Designated Contracts:

Prior to execution of the Definitive Agreements, Purchaser shall designate material executory contracts and unexpired leases of Hospital that Purchaser desires to be assumed and assigned to Purchaser at the Closing; provided, that the Parties anticipate that Purchase shall assume all such contracts and leases unless the Parties mutually agree to terminate them prior to the Closing (the “Designated Contracts”). To the extent requested by Purchaser, Hospital will use commercially reasonable efforts to obtain the written consent of the non-Hospital counterparty to the Designated Contracts containing restrictions on assignment if the failure to obtain such written consent would result in a breach of the applicable Designated Contract as a result of the consummation of the Transaction.

Regulatory Approvals:

The Parties shall use commercially reasonable efforts to obtain all regulatory and governmental approvals and clearances necessary or advisable to consummate the Transaction and for Purchaser to operate the Facilities following the Closing, which approvals and clearances will be set forth in a schedule to the Purchase Agreement and will include all approvals required under the Local Health Care District Law set forth at California Health and Safety Code Section 32000 *et seq.* (the “Required Approvals”).

Closing Conditions:

The Transaction shall be subject to the satisfaction or waiver of the conditions set forth below.

- 1) The Parties shall have obtained all Required Approvals.
- 2) No Material Adverse Effect shall have occurred (as defined below).

The Closing shall not be conditioned on conditions of any other kind, including obtaining financing of any kind or due diligence.

Material Casualty Loss or Condemnation:

“Material Adverse Effect” means, with respect to the Acquired Assets, any event, occurrence, fact, condition or change that is materially adverse to (a) the business, results of operations, financial condition or assets of the Hospital, or (b) the ability

of Seller to consummate the Transaction; *provided, however*, that “Material Adverse Effect” shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Hospital operates; (iii) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by the Definitive Agreements or any action taken (or omitted to be taken) with the written consent of or at the written request of Purchaser; (vi) any matter of which Purchaser is aware on the date of execution of the Definitive Agreements; (vii) any changes in applicable laws, rules or regulations or the enforcement, implementation or interpretation thereof; (viii) the announcement, pendency or completion of the Transactions, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with the Hospital; (ix) any natural or man-made disaster or acts of God; (x) any epidemics, pandemics, disease outbreaks, or other public health emergencies; or (xi) any failure by the Hospital to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded).

If there is a Material Adverse Effect prior to the Closing, then Purchaser shall have the right to terminate the Purchase Agreement upon prior written notice to Hospital.

**Representations,
Warranties and
Covenants Generally:**

The Purchase Agreement will include appropriate representations, warranties and covenants with respect to the Acquired Assets, all of which will survive the Closing for one (1) year.

Indemnification:

Hospital will indemnify and hold harmless Purchaser, its affiliates and their respective representatives from all losses incurred by them relating to or arising from any Excluded Liabilities, (b) any breaches of or inaccuracies in the representations and warranties of Hospital, and (c) any breaches of any covenants of Hospital.

Purchaser will indemnify and hold harmless Hospital and their

affiliates and their respective representatives from all losses incurred by them relating to or arising from (a) any Assumed Liabilities and the operation of the Acquired Assets after the Closing Date, (b) any breaches of or inaccuracies in the representations and warranties of Purchaser, and (c) any breaches of any covenants of Purchaser.

Definitive Agreements

The Parties shall enter into, at minimum, the Purchase Agreement and Lease. Each definitive agreement would include operating covenants, including without limitation those set forth in Exhibit B.

2. GOVERNING LAW. THIS TERM SHEET SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH INTERNAL LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF ILLINOIS, MICHIGAN OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF LAWS OF ANY JURISDICTION OTHER THAN THOSE OF THE STATE OF CALIFORNIA.

3. Expenses. Purchaser and Hospital will each pay their own transaction expenses incurred in connection with the Transaction, including the fees and expenses of investment bankers, legal counsel and other advisors.

4. Miscellaneous. This Term Sheet may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. The headings of the various sections of this Term Sheet have been inserted for reference only and shall not be deemed to be a part of this Term Sheet.

5. Binding Effect. Notwithstanding anything to the contrary contained herein, except for the provisions of Section 2, Section 3, Section 4 and this Section 5, which are intended to be legally binding, this Term Sheet shall represent a non-binding term sheet between Purchaser and Hospital. No contract or agreement providing for any transaction, including any transaction involving the Acquired Assets or Hospital, shall be deemed to exist between Purchaser and Hospital or any of their respective affiliates unless and until final definitive agreements have been executed and delivered.

[Remainder of page left intentionally blank. Signature pages follow.]

If you are in agreement with the terms set forth above and desire to proceed with the Transaction on that basis, please sign this Term Sheet in the space provided below and return an executed copy to the undersigned at your earliest convenience.

Sincerely,

PURCHASER

By: 
Name: Atif Bawahab
Title: Chief Strategy Officer

Acknowledged and agreed:

**HAZEL HAWKINS MEMORIAL
HOSPITAL**

By: _____
Name:
Title: President and Chief Executive Officer

Exhibit A

- a) all of the leasehold interests of Seller in all real property that is owned by an unrelated third party and leased to Seller as lessee or tenant;
- b) all bank accounts; provided, that Hospital shall retain all current and non-current cash and cash equivalents, securities, investments, endorsements, bond funds and other funds created by bond indentures, financial assurances, and certificates of deposits;
- c) all accounts receivable for services rendered prior to the Closing Date;
- d) all of the tangible personal property owned or, to the extent assignable or transferrable by Seller, leased, subleased, or licensed, by Seller and used in connection with the operation of the Facilities, including, without limitation, equipment, furniture, furnishings, fixtures, machinery, tools, supplies, telephones, office equipment, and real property improvements;
- e) all of the interests of Seller as lessee in and to each lease, sublease, license, or other contractual obligation under which the personal property is used by Seller with respect to the operation of the Facilities;
- f) all inventory used in connection with the operation of the Facilities (other than the portions of inventory disposed of, or expended, as the case may be, by Seller in the ordinary course of business);
- g) all prepaid expenses;
- h) all intangible personal property owned by Seller and solely used in connection with the operation of the Facilities, together with (i) all registrations and applications to register, and all rights to register, any of the foregoing, together with all renewals, extensions, and foreign counterparts of, and other registrations or applications claiming priority to, any of the foregoing, (ii) all royalties, income, and payments now owing or in the future due to the owner of any of the foregoing with respect to any of the foregoing, (iii) all damages and rights to sue and enforce any of the foregoing, including any damages and rights to sue for any past, present, or future infringement, dilution, misappropriation, or violation of any of the foregoing, (iv) all other proprietary rights and interests in any of the foregoing, (v) all data relating to any of the foregoing in any form or medium, and (vi) all copies and tangible embodiments of any of the foregoing, in any form or medium;
- i) computer software, programs and hardware or data processing equipment, data processing system manuals and licensed software materials that are used in connection with the operation of one or more of the Facilities;
- j) all financial and operational records of the Facilities (including all equipment records, construction plans and specifications, medical and administrative libraries, documents, catalogs, books, records, files, and operating manuals);

- k) all medical staff and personnel records relating to medical staff members and employees providing services at or with respect to the Facilities or who accept employment with Purchaser (including, without limitation, peer review materials);
- l) all active patient and medical records used in connection with the operation of the Facilities;
- m) all insurance proceeds relating to the physical condition of the Purchased Assets, to the extent not expended on the repair or restoration of the Purchased Assets prior to the Closing;
- n) the Designated Contracts;
- o) to the extent transferable, all permits held by Seller required for the ownership, development, or operation of the Facilities, including the Medicare and Medi-Cal provider agreements for the Facilities;
- p) all telephone and facsimile numbers, post office boxes and directory listings used in connection with the Facilities;
- q) to the extent transferable, Seller's National Provider Identifiers relating to the Acquired Seller Facilities; and
- r) all other rights, properties and assets of Seller that are solely used in connection with the operation of the Facilities

Exhibit B

- a) maintain in good standing Purchaser's status as a nonprofit public benefit corporation under the laws of the State of California as in effect from time to time;
- b) ensure continuous operation of the Facilities;
- c) maintain a board that shall include a majority of its members as individuals who are independent of Purchaser's organization;
- d) maintain a compliance with all applicable laws, rules and regulations in all material respects, including without limitation all requirements of any CMS provider agreements;
- e) operate the Hospital so as not to illegally discriminate and in accordance with mutually agreeable quality standards and metrics;
- f) maintain charity care/financial assistance policies at or above the level as such policies were in effect at the time that the Hospital was operated by San Benito Health District and that that meet or exceed Public Act 094-0885, the Fair Patient Billing Act, effective on January 1, 2007; provided, further, that the Hospital shall administer its financial assistance policy as if it were subject to Section 501(r) of the Internal Revenue Code by: (i) establishing and maintaining a written financial assistance policy ("FAP"), (ii) setting charge limits for FAP-eligible patients and (iii) making reasonable efforts to determine FAP eligibility;
- g) maintain in good standing all licenses and permits associated with the Facilities;
- h) continue to provide services to Medicare and Medi-Cal patients;
- i) develop and approve an annual capital expenditure budget contemplating investment in operations and capital in the sum of Fifty Million Dollars over the course of the ten- (10-) year period after the Closing;
- j) maintain all existing services during the term of the lease, and for the subsequent five year term after Purchaser has acquired the Real Estate;
- k) the District will receive a right of first refusal to repurchase the Acquired Assets and Real Estate if Purchaser chooses to sell;
- l) extend employment offers to a minimum of 90% of the existing workforce; and
- m) the hospital will retain branding as Hazel Hawkins Memorial Hospital or some reasonable derivative such as "Insight Hazel Hawkins Memorial Hospital."

SAN BENITO HEALTH CARE DISTRICT D/B/A HAZEL HAWKINS MEMORIAL HOSPITAL

Fair Market Value of the Acquired Assets of
San Benito Health Care District d/b/a Hazel Hawkins Memorial Hospital
as of February 29, 2024

Report Date: April 2024





Table of Contents

I.	Transmittal Letter	2
II.	Engagement Overview	4
III.	Entity Overview	10
IV.	Income Approach	11
V.	Market Approach.....	11
VI.	Asset Approach.....	13
VII.	Secondary Discounts	15
VIII.	Conclusion of Value	16
	Appendix A – Overview of Valuation Approaches.....	18
	Appendix B – Disclaimers & Limiting Conditions.....	21
	Appendix C – Certificate of Appraiser	23
	Appendix D – Appraiser Qualifications.....	24
	Appendix E – Definition of Appraisal Terms	32
	Appendix F –Valuation Exhibits	35



I. Transmittal Letter

April 22, 2024

Mr. Mark Robinson
Chief Financial Officer
San Benito Health Care District d/b/a Hazel Hawkins Memorial Hospital
911 Sunset Dr.
Hollister, CA 95023

Dear Mr. Robinson:

The accompanying report details the valuation approaches and assumptions we have relied upon in arriving at our opinion of value of San Benito Health Care District d/b/a Hazel Hawkins Memorial Hospital. Based upon and subject to the facts, circumstances, limiting conditions, and assumptions presented in this report and the attached exhibits, it is our opinion that the fair market value of the acquired tangible and intangible assets of San Benito Health Care District d/b/a Hazel Hawkins Memorial Hospital as of February 29, 2024, reasonably ranges from **\$59,330,000** to **\$65,575,000** as outlined in **Figure 1**.

Figure 1 – Conclusion of Value

Conclusion	Low (Minus 5% Collar)	Midpoint	High (Plus 5% Collar)
Non-Cash Net Working Capital		\$16,146,504	
FMV of Capital Assets (Excluding SNFs)		\$11,060,000	
FMV of Real Estate (Excluding SNFs)		\$41,625,000	
FMV of Skilled Nursing Facilities		\$15,310,000	
FMV of Intangibles (Licenses, Workforce) (Excluding SNFs)		\$2,357,000	
Market Value of Invested Capital	\$82,174,000	\$86,498,504	\$90,823,000
Less: Net Debt	\$0	\$0	\$0
Market Value of Acquired Assets	\$82,174,000		\$90,824,000
Marketability Discount	27.8%		27.8%
Fair Market Value of Acquired Assets	\$59,330,000		\$65,575,000



*Note: all values in this report are presented on an **invested capital** basis, which assumes the acquisition of **designated tangible and intangible assets, and certain working capital related liabilities** of Benito Health Care District d/b/a Hazel Hawkins Memorial Hospital. The structure of the deal will not change the fair market value of Benito Health Care District d/b/a Hazel Hawkins Memorial Hospital; however, the terms of the deal may have an impact on the fair market value consideration paid. Therefore, if the final deal terms are materially different than indicated herein (e.g., the list of designated assets acquired and/or liabilities assumed is changed prior to closing), this opinion in this report may not be applicable, as this report expresses no opinion regarding the impact that any deal term changes might have on the fair market value of the consideration paid. For purposes of this report it is assumed that the assets and liabilities outlined in **Figure 1** will be purchased subject to finalization of the purchase agreement. Assumed excluded assets and liabilities from the transaction are: Cash & Cash Equivalents, Pension Deferred Outflows, Board Designated Funds, Restricted Assets, Accrued Pension liabilities, Capital Leases Payable, Bonds Payable, Long-Term Pension Liabilities, Due to/From Third Parties, Other Receivables, Accrued Payroll, Accrued Payroll Taxes, Accrued Benefits, and Other Current Liabilities. This should not be considered a formal purchase price allocation under ASC 805, GASBS 69 or GASBS 51.*

A detailed description of our procedures, methodologies, assumptions, and conclusions is contained in the accompanying report. The attached appendices should be read as an integral part of this report. This letter should not be separated from, nor considered independent of, the attached report and appendices. This fair market value opinion supersedes all verbal or written correspondences that may have been provided by HealthCare Appraisers, Inc. prior to April 22, 2024 with respect to San Benito Health Care District d/b/a Hazel Hawkins Memorial Hospital.

Sincerely,



HealthCare Appraisers, Inc.

Resolution No. 2024-03

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BENITO HEALTH CARE DISTRICT ORDERING AN ELECTION ON A BALLOT MEASURE PROPOSING THE TRANSFER OF FIFTY PERCENT OR MORE OF THE DISTRICT ASSETS, FOR THE ELECTION OF CERTAIN OFFICERS, REQUESTING COUNTY ELECTIONS TO CONDUCT THE ELECTION, AND REQUESTING CONSOLIDATION OF THE ELECTION

WHEREAS, the San Benito Health Care District, a California Local Health Care District (“SBHCD” or “District”), is governed by the Health Care District Law (Health & Safety Code sections 32000 et seq.);

WHEREAS, the District owns and operates certain health care facilities in the County of San Benito, California (“County”), including Hazel Hawkins Memorial Hospital (“Hazel Hawkins”), two skilled nursing facilities, five rural health clinics, two community health clinics, and two satellite lab/draw stations;

WHEREAS, the District desires to enter into a lease, with option to purchase, to Insight Foundation of American (“Insight”) to provide the greatest assurance to the residents of the District of continued local emergency and hospital services;

WHEREAS, the District approved a Term Sheet pursuant to which Insight would form a California non-profit public benefit corporation, with Insight as its sole member, to lease the hospital and other health care facilities for five years, at fair market value, with the option to purchase the facilities at the end of the five years. The Term Sheet was approved by the Board pursuant to Resolution 2024-02, this same date and is attached hereto as **Exhibit 1**;

WHEREAS, pursuant to the requirements of Health & Safety Code section 32121(p)(1), the District is satisfied in that the District will receive fair, reasonable, and adequate consideration for its facilities and assets based upon the April 2024 Valuation Report (“Valuation Report”) by HealthCare Appraisers, an independent consultant with expertise in methods of appraisal and valuation of such facilities and assets and in accordance with applicable governmental and industry standards for appraisal and valuation;

WHEREAS, pursuant to California Health and Safety Code Section 32121(p), before the District transfers fifty percent (50%) or more of the District’s assets, in sum or in increments, the Board shall, by resolution, submit to the voters of the District a measure proposing the transfer, which must be approved by a majority of the voters;

WHEREAS, the District also requests the election for three seats of the District Board of Directors be placed on the November 5, 2024 ballot;

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city or district may by resolution request the Board of Supervisors of the county to permit the county

elections official to render specified services to the city or district relating to the conduct of an election;

WHEREAS, the resolution of the governing body of the city or district shall specify the services requested;

WHEREAS, pursuant to Elections Code Section 10002, the city or district shall reimburse the county in full for the services performed upon presentation of a bill to the city or district;

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections;

WHEREAS, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated;

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot, acknowledging that the consolidation election will be held and conducted in the manner prescribed in Section 10418;

WHEREAS, pursuant to Elections Code Section 10418, if consolidated, the consolidated election shall be held and conducted, election boards appointed, voting precincts designated, candidates nominated, ballots printed, polls opened and closed, voter challenges determined, ballots counted and returned, returns canvassed, results declared, certificates of election issued, recounts conducted, election contests presented, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the other provisions of law regulating the statewide or special election, or the election held pursuant to Section 1302 or 1303, as applicable;

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election;

WHEREAS, various district, county, state and other political subdivision elections may be or have been called to be held on November 5, 2024; and

NOW THEREFORE, BE IT RESOLVED AND ORDERED by the San Benito Health Care District Board of Directors as follows:

SECTION 1. The District Board of Directors hereby finds and determines that the foregoing recitals are true and correct.

SECTION 2. The Board requests the San Benito County Elections Department conduct the election for the following offices on the November 5, 2024 ballot:

Office	Term	District/Division
Director, San Benito Health Care District	1	1
Director, San Benito Health Care District	1	3
Director, San Benito Health Care District	1	5

SECTION 3. The Board requests that the candidate's statement of qualifications be limited to 200 words, and that candidates are responsible for paying the cost of printing their candidate's statement of qualifications in the County Voter Registration Guide or posting online at the time of filing their statement.

SECTION 4. The Board requests that if any two or more persons receive an equal and the highest number of votes for an office to be voted for within the District, tie votes shall be resolved in accord with Uniform District Election Law and Health Care District Law.

SECTION 5. Pursuant to the authority contained in Health & Safety Code 32121(p), the District calls for an election in which a proposal is submitted to the voters of the District on November 5, 2024, to approve a measure, by a majority of the voters voting on said measure, to transfer substantially all of the assets of the District pursuant to a lease with option to purchase. The ballot measure shall read and appear on the ballot as follows:

Measure ____

"Without increasing taxes and to continue providing local access to life-saving emergency medical care, surgery, radiology, long-term care, advanced medical technology and treatments, mother/baby, clinic and physician services at Hazel Hawkins Memorial Hospital, shall the San Benito Health Care District's measure be adopted to lease with an option to purchase, said hospital facilities and other District assets to Insight Foundation of America (or another qualified buyer) for fair market value as determined by an independent appraiser to ensure continued hospital services to the community?"

Yes _____ No _____

SECTION 6. The Board requests the San Benito County Elections Department print the measure text exactly as filed or indicated on the filed document in the County Voter Information Guide for the November 5, 2024 election. The cost of printing and distribution of the measure text will be paid for by the District.

SECTION 7. The District desires to authorize any Board member to submit an argument for or rebuttal by the District in the Voter Guide.

SECTION 8. In accordance with California Elections Code sections 9313 and 9280, County Counsel is hereby directed to prepare an impartial analysis of this measure.

SECTION 9. The District hereby orders an election be called and consolidated with any and all elections also called to be held on November 5, 2024 insofar as said elections are to be held in the same territory, or in territory that is in part the same and requests to the Board of Supervisors of the County of San Benito to order such consolidation under Elections Code Sections 10401, 10403 and 10418.

SECTION 10. The District requests the Board of Supervisors to permit the San Benito County Elections Department to provide all services necessary for conducting the election and agrees to reimburse in full the Election Department to provide any and all services for conducting the election.

SECTION 11. The Board President and the Chief Executive Officer or designee(s) are authorized to execute any other document and to perform all acts necessary to place the measure on the ballot including signing a services agreement with the County and to comply with the requirements of law and elections officials.

SECTION 12. The District Secretary is hereby authorized and directed to file a copy of this Resolution with the Board of Supervisors and the County Clerk upon its adoption by the Board of Directors.

SECTION 13. The District's Chief Executive Officer, legal counsel and the Clerk of the San Benito County Department of Elections, if they each agree, are authorized to make any clerical revisions to any documents pertaining to the election.

PASSED AND ADOPTED this 25th day of July, 2024 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Jeri Hernandez, President

Attested: _____
Josie Sanchez, Secretary

Board of Directors Contract Review Worksheet

Agreement for Professional Services with Letitia Bradford, M.D.



Executive Summary: Dr. Letitia Bradford is a board-certified orthopedic surgeon and fellow of both the American Academy of Orthopedic Surgeons and the American College of Surgeons specializing in general orthopedics and total joint replacements. She completed her orthopedic surgery residency at UCSF. Since October 2023, Dr. Bradford has been providing coverage on a locum tenens basis and she has quickly become a favorite among patients due to her exceptional care and expertise.

Recommended Board Motion: It is recommended the hospital Board approve the Professional Services Agreement with Letitia Bradford, M.D. at a rate of \$3,580 per coverage day.

Services Provided: Clinic, hospital & emergency orthopedic call coverage a minimum of 6-10 days per month.

Agreement Terms:

Contract Term	Effective Date	FMV %ile	Estimated Base Monthly Cost	Estimated Annual Cost	Term clause
2 years	8/5/2024	<75th	Month 1-6: \$21,480 Month 7-24: \$35,800	Year 1: \$343,680 Year 2: \$429,600	60 days

SAN BENITO HEALTH CARE DISTRICT

ORTHOPEDIC SURGERY COVERAGE AGREEMENT

This Orthopedic Surgery Coverage Agreement ("Agreement") is made and entered into as of **August 1, 2024** ("Effective Date"), by and between **San Benito Health Care District**, a local healthcare district organized and operating pursuant to Division 23 of the California Health and Safety Code ("SBHCD"), and **Letitia Bradford, M.D.** ("Physician").

RECITALS

- A. SBHCD owns and operates Hazel Hawkins Memorial Hospital, a general acute care facility ("Hospital") and multispecialty community medical clinics ("Clinic"), which includes orthopedic surgery services, and requires 24-hour per day coverage by an appropriately privileged physician ("Orthopedic Services").
- B. Physician is licensed to practice medicine in the State of California, is a member in good standing of the Medical Staff of Hospital, has and maintains the appropriate privileges to provide Coverage Services, and agrees to provide the Orthopedic Services.

The parties hereby agree as follows:

1. SERVICES

- 1.1 Professional Services. Orthopedic Services by Physician shall be provided in accordance with the Hospital Medical Staff Bylaws, Rules and Regulations, and Clinic/Hospital's policies and procedures, as they may be amended from time to time, in addition to all requirements imposed by federal and California state law and all standards and recommendations of The Joint Commission.
 - 1.1.1 Orthopedic Services. Beginning on the Effective Date of this Agreement, Physician shall be available to provide Orthopedic Services in Year One for a minimum of thirty (30) shifts during the first six (6) months of this Agreement, then a minimum of sixty (60) shifts beginning month seven (7) through month twelve (12). Then, in Year Two, Physician shall be available to provide Orthopedic Services for a minimum of ten (10) shifts per month, as further described in Exhibit A of this Agreement. Orthopedic Services will include Hospital services, Hospital call coverage services, and Clinic services. Physician shall provide her schedule to SBHCD at least thirty (30) days in advance and SBHCD shall schedule Physician for the minimum number of shifts as mutually agreed upon.
 - 1.1.2 Reports. Physician shall promptly report the results of Orthopedic Services to the patient's attending physician(s), if any, in accordance with the policies and procedures established by SBHCD and Hospital Medical Staff. Physician shall promptly prepare all written reports and medical records required by SBHCD with reference to such services by Physician. SBHCD retains ownership and right of control of all reports, records, and supporting documents prepared in connection with Orthopedic Services performed by Physician, and SBHCD shall be custodian of all patient records. Physician shall cooperate fully with SBHCD by maintaining and making available all necessary records, or by executing any agreements, in order to assure that SBHCD will be able to meet all requirements for participation and payment associated with public or private third-party payment programs, including but not limited to the Federal Medicare program. Physician shall use Hospital's/Clinic's electronic medical record as applicable.
- 1.2 Licensure. Physician shall at all times during the term of this Agreement be licensed to practice medicine in the State of California, shall maintain Federal Drug Enforcement Administration

certification, and shall maintain membership in good standing on the Medical Staff of the Hospital with the appropriate privileges to render Orthopedic Services.

- 1.3 Control and Direction. SBHCD shall not exercise any control or direction over the professional (medical) aspects of providing Orthopedic Services, which control and direction shall be the sole responsibility of Physician; provided, however, that such Orthopedic Services are rendered in accordance with the provisions of this Agreement and the Bylaws, Rules and Regulations, standards, and policies of Hospital, its Medical Staff and Clinic, The Joint Commission, and any other regulatory agency with jurisdiction over one of the parties covering matters subject to this Agreement.
- 1.4 Independent Contractor Status. This Agreement shall not be construed to create any agency or employment relationship between SBHCD or any of its affiliates, and the Physician. Physician is an independent contractor and shall be solely responsible for payment of all wages and salaries, taxes, withholding payments, penalties, fees, contributions to insurance and pension or other deferred compensation plans (including, but not limited to, workers' compensation and Social Security contributions), licensing and registration fees. Physician shall not make any claim that SBHCD is responsible for the payment or filing of any of the foregoing payments, withholdings, contributions, taxes, or documents.

2. SBHCD RESPONSIBILITIES

- 2.1 General. SBHCD shall provide the space, furniture, equipment, supplies, personnel, and services that SBHCD deems reasonably necessary for the provision of Orthopedic Services under this Agreement. Physician shall use such space, items, and services only for the performance of the Orthopedic Services required by this Agreement.
- 2.2 Non-Physician Personnel. SBHCD shall be solely responsible for all salaries, other compensation, employer's payroll taxes, workers' compensation coverage, and fringe benefits, for SBHCD employed non-physician personnel associated with the provision of Orthopedic Services and administrative services under this Agreement. SBHCD retains full authority to employ, appoint, discipline, transfer and terminate such non-physician personnel.
- 2.3 Management. SBHCD shall, at all times, retain and exercise ultimate responsibility for and management and operation of the Hospital and the Clinics. Further, SBHCD in its sole discretion shall determine and set hours of operation for the Clinic and operating room.
- 2.4 Professional Liability Coverage. SBHCD and Hospital shall maintain general and professional liability insurance coverage for Physician for Services provided by Physician to SBHCD patients during the term of this Agreement in a minimum amount of \$1,000,000 per occurrence and \$3,000,000 annual aggregate. In the event the coverage that SBHCD and/or Hospital obtains to comply with this Section of this Agreement is a "claims made" policy, and SBHCD or Hospital, as applicable, changes insurance carriers or terminates coverage upon or after termination of this Agreement, SBHCD or Hospital, as applicable, shall immediately obtain and shall maintain "tail" coverage in the amounts otherwise required under this Section for at least seven (7) years following termination of this Agreement.

3. COMPENSATION

- 3.1 Compensation. SBHCD shall compensate Physician for Physician's Orthopedic Services in accordance with Exhibit B of this Agreement. Incorporated into compensation under this Agreement, unless specifically excluded, are all the Physician's sources of practice revenues and income from SBHCD, including medical staff emergency call stipends, other on-call fees, stipends and reading fees.
- 3.2 Payment. Payment for Orthopedic Services will be on a monthly basis, for Orthopedic Services provided in the prior month, based on the final schedule and in accordance with the SBHCD contract payment process.

- 3.3 Billing and Collection. Physician hereby assigns to SBHCD all claims, demands and rights of Physician to bill and collect for all Orthopedic Services rendered to SBHCD patients, regardless of site of service. Physician shall not bill or collect for any services rendered to SBHCD patients, and all SBHCD receivables and billings shall be the sole and exclusive property of SBHCD. Any payments made pursuant to a payor agreement (including co-payments made by patients) shall constitute revenue of SBHCD. In the event any payment is made to Physician pursuant to any payor agreement, Physician shall promptly remit such payment directly to SBHCD. Physician shall timely complete any documents or forms necessary to document the assignment set forth in this section.
- 3.4 Assignment of Professional Service Revenues. Physician hereby assigns to SBHCD the right to all revenue from all patients, third-party payors, and governmental programs for all Orthopedic Services rendered by Physician at the Hospital and the Clinic under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Physician Services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 302.7.
- 3.5 Form W-9. Physician shall complete and provide to SBHCD a W-9 form.

4. TERM AND TERMINATION

- 4.1 Term. The term of this Agreement shall commence on the Effective Date and continue for a period of two (2) years, unless earlier terminated pursuant to the terms of this Agreement.
- 4.2 Termination without Cause. Either party may terminate this Agreement, without stating a cause or reason and without penalty, at any time by giving sixty (60) days' prior written notice of termination to the other party. Should this Agreement be terminated prior to the end of one (1) year from the Effective Date, the parties shall not renegotiate the terms of this Agreement or any other financial arrangement between the parties for the same services for the duration of one (1) year from the Effective Date.
- 4.3 Termination for Default. Either party may terminate this Agreement in the event of a material breach or default under this Agreement by the other party by giving written notice specifying the grounds for such termination. Such termination shall be effective fifteen (15) calendar days after the giving of written notice of termination if the default or breach specified in the notice shall not have been cured.
- 4.4 Termination for Cause. Either party shall have the right to terminate this Agreement if performance of the Agreement violates any applicable law, regulation, bond covenant, licensure requirement, or accreditation standard.
- 4.5 Termination by SBHCD. This Agreement shall terminate immediately; upon notice to Physician, if Physician:
- 4.5.1 Dies or is disabled for more than thirty (30) consecutive days or more than forty-five (45) days in a ninety (90) day period;
 - 4.5.2 Has his or her Medical Staff membership, Medical Staff clinical privileges, or license to practice medicine terminated (whether voluntarily or involuntarily), restricted, or suspended;
 - 4.5.3 Is convicted of any crime punishable as a felony (whether final or on appeal) or is excluded from participation in any state or federal health care program, including but not limited to Medicare or Medicaid;
 - 4.5.4 Fails to meet the requirements of this Agreement; or
 - 4.5.5 Fails to qualify for the required professional liability insurance.

5. COMPLIANCE

- 5.1 **Applicable Laws.** Physician agrees, represents, and warrants that Physician will maintain full compliance with all applicable federal, state, and local laws and regulations, including, without limitation, laws and regulations regarding billing for services. Nothing in this Agreement shall be construed to require SBHCD or Physician to make referrals of patients to one another. No payment is made under this Agreement in return for the referral of patients or in return for the ordering, purchasing, or leasing of products or services from SBHCD. Furthermore, the Parties acknowledge, agree, and warrant to the other that the compensation provided under this Agreement is not in excess of the fair market value of the services rendered.
- 5.2 **Compliance Program.** Physician acknowledges that SBHCD has implemented a Compliance Program for ensuring that the provision of, and billing for, care at the Hospital and the Clinic complies with applicable federal and state laws ("Compliance Program"). Physician agrees to adhere to, abide by, and support the Compliance Program and policies promulgated therein.
- 5.3 **Physician Warranties** Upon execution of this Agreement, Physician agrees, represents and warrants that Physician: (i) has not been convicted of a criminal offense related to healthcare (unless Physician has been officially reinstated into the federal healthcare programs by the Office of Inspector General and provided proof of such reinstatement to SBHCD); (ii) is not currently under sanction, exclusion or investigation (civil or criminal) by any federal or state enforcement, regulatory, administrative or licensing agency or is ineligible for federal or state program participation; or (iii) is not currently listed on the General Services Administration list of parties excluded from the federal procurement and non-procurement programs. Physician agrees that if Physician becomes involved in a pending criminal action or civil proposed debarment or exclusion related to any federal or state healthcare program, Physician shall immediately notify SBHCD administration and SBHCD shall then have the right to terminate this Agreement.
- 5.4 **Patient Confidentiality.** As a member of an Organized Health Care Arrangement with Hospital, Physician has access to patient health information, including as necessary to perform services under this Agreement. Federal, State and local laws and regulations, including the California Confidentiality of Medical Information Act, California Privacy Laws, and the Federal Health Insurance Portability and Accountability Act of 1996 and associated regulations (HIPAA), ("collectively "Privacy Regulations"), require providers to implement policies and procedures to protect the privacy and security of individually identifiable patient information ("protected health information" or "PHI") and to afford individuals certain rights with regard to their health information. Physician shall comply with all Privacy Regulations duly implemented by SBHCD in the use and/or disclosure of patient-identifiable health care information that is received from Hospital/Clinic in the course of furnishing services under this Agreement.
- 5.5 **Access to Records.** In accordance with Section 952 of the Omnibus Reconciliation Act of 1980 (PL 96-499), in the event that any of the services to be performed under this Agreement are compensated to Physician in an amount of \$10,000 or more over a twelve (12) month period, Physician agrees that the books and records related to Physician's compensation under this Agreement will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement.

6. GENERAL PROVISIONS.

- 6.1 **No Requirement to Refer.** Nothing in this Agreement, or in any other written or oral agreement, or any consideration in connection with this Agreement contemplates or requires the admission or referral of

any patient to SBHCD or Hospital. This Agreement is not intended to influence Physician's judgment in choosing the medical facility appropriate for the proper care and treatment of Physician's patients.

- 6.2 Assignment. Physician shall have no right to assign, delegate or in any manner transfer all or any portion of his interest, obligation or duty under this Agreement, without first obtaining the written consent of SBHCD, which consent shall be in SBHCD's sole and absolute discretion.
- 6.3 Waiver. Any waiver of any terms and conditions of this Agreement shall not be effective unless set forth in writing signed by the parties to this Agreement. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms and conditions of this Agreement or a continuing waiver of the terms and conditions waived.
- 6.4 Entire Agreement/Amendments. This Agreement, including its attachments and exhibits, constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement. This Agreement supersedes all prior agreements or understandings of the parties which relate to the subject matter of this Agreement. No supplement, amendment or modification of this Agreement shall be binding unless executed in writing and signed by all parties to this Agreement.
- 6.5 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California. Venue shall be in San Benito County, California.
- 6.6 Partial Invalidity. If a lawful forum finds any part of this Agreement invalid or unenforceable, such finding shall not invalidate the remaining provisions, unless such invalidity or unenforceability would defeat an essential business purpose of this Agreement.
- 6.7 Non-Discrimination. Physician represents and warrants that, in providing services hereunder, he or she is, and at all times during this Agreement will be, in full compliance with California Health and Safety Code Section 1317 et seq. Physician further represents and warrants that he or she shall not discriminate against or refuse to provide care and services to any patient on the basis of race, ethnicity, religion, national origin, citizenship, age, sex, pre-existing medical condition, physical or mental handicap, insurance status, economic status or ability to pay for medical services.
- 6.8 Notices. All notices under this Agreement shall be in writing and sufficient if personally delivered, sent by overnight delivery, or sent by certified or registered mail, return receipt requested, postage prepaid, to each parties' current address appearing above the signatures of the parties to this Agreement. All notices shall be deemed given on the date of delivery if delivered personally or by overnight delivery, or three (3) business days after such notice is deposited in the United States mail, addressed, and sent as provided above.

The parties have executed this Agreement as of the Effective Date first written above.

SBHCD
San Benito Health Care District

PHYSICIAN
Letitia Bradford, M.D.

By: _____
Mary T. Casillas, Chief Executive Officer

Letitia Bradford, M.D.

Date: _____

Date: _____

EXHIBIT A

ORTHOPEDIC SERVICES

A.1 Professional Services. Physician's Orthopedic Services under this Agreement shall include the usual and typical professional medical activities of a board-certified orthopedic surgeon, including but not limited to Hospital care for Physician's patients, surgical assisting, patient rounds, consultations, Clinic patient services, and on-call coverage for the Hospital and its emergency department and operating rooms. More specifically, Physicians Orthopedic Services shall include:

A.1.1 Hospital Services. Physician shall provide the following Hospital Services:

A.1.1.1 Participation in multi-disciplinary rounds as requested and in coordination with other physicians providing services in his specialty. During the multi-disciplinary rounds, Physician will assist in the evaluation and management of patients, and when necessary, may intervene in the care of patients. Physician shall report information in a timely manner to the attending physician.

A.1.1.2 Consultations, upon request, to members of the Hospital's Medical Staff managing their own patients or concerning the application of the admission or discharge criteria or the admission or discharge of Physician's patients.

A.1.1.3 Assistance with the management and treatment of patients for whom Physician is responsible as part of a multi-disciplinary team. When the patient has an attending/referring physician, Physician shall include such physician in decision-making and keep such physician informed.

A.1.2 Clinic Services. Physician shall provide the following Clinic Services:

A.1.2.1 Render evaluation, management, surgical and non-surgical services to orthopedic patients.

A.1.2.2 The coordination of medical activities of the Clinic to be accomplished through continuous communication with appropriate SBHCD administrative personnel regarding matters relating to the orthopedic medical administration of the Clinic.

A.1.2.3 Provide chart review and audits of appropriate mid-level practitioner staff, as needed.

A.1.3 Hospital Call Coverage Services. During the hours when Physician is providing Hospital Call Coverage Services, Physician must respond by telephone within fifteen (15) minutes, and Physician must be physically present within sixty (60) minutes. Hospital Call Coverage Services include availability to the emergency department, the operating rooms, and to inpatient units.

A.2 Additional Services

A.2.1 Communication with Referring Physicians. When furnishing care to patients upon the referral by another physician, Physician shall provide the referring physician with appropriate follow-up oral reports and updates on the patient's course of treatment and condition in a manner and frequency consistent with the patient's condition. When Physician discharges any patient referred by another physician, Physician shall provide the referring physician with Physician's

recommendations concerning appropriate patient follow-up care if Physician will no longer be following the patient.

A.2.2 Communication. Physician shall maintain an effective communication process to interface with patients, patients' attending and specialist physicians, staff at the Hospital and Clinic, and the public, with the goal of enhancing patient satisfaction and the quality of care.

A.3 Schedule. Depending on the needs of SBHCD and the availability of Physician, Physician's scheduled Shift shall consist of a variety of the following types of shifts:

A.3.1 Day Shift – where Physician is providing services in the Clinic and the Hospital operating room generally between the hours of 7:30 a.m. and 5:00 p.m. Monday through Friday. This shift includes availability for scheduled and walk-in Clinic patients, performance of scheduled and unscheduled surgical procedures, availability for Hospital consults, patient rounds, and assisting in the operating room.

A.3.2 24-hour Shift – where Physician is scheduled to respond to SBHCD for Hospital inpatients, the emergency department, and the operating room for consultations, assisting in surgery, and performing surgery in accordance with the response times outlined in Section A.1.3. A 24-hour shift begins at 7:00 a.m. and ends at 6:59 a.m. the next morning. A 24-hour shift includes daily patient rounds on all hospitalized orthopedic service patients.

A.3.3 Combination Shift – where Physician is providing both Day Shift and 24-hour shift activities in the same day.

EXHIBIT B

COMPENSATION, HOUSING & REIMBURSEMENT OF EXPENSES

- B.1 Shift Compensation. As full compensation for each shift worked by Physician, SBHCD shall pay Physician the amount of **Three Thousand Five Hundred Eighty Dollars (\$3,580.00)**.
- B.2 Housing. SBHCD will provide Physician with local housing accommodations as approved in advance in writing by Physician while Physician is providing Orthopedic Services under this Agreement at a rate consistent with local market occupancy rates. Housing accommodation is to be used from arrival the day before the start of the shift and ending on the last day of shift or morning after if providing emergency call coverage.
- B.3. Expense Reimbursement. SBHCD will reimburse Physician for: (1) round trip mileage at the standard Internal Revenue Service rate, between Physician's home/office and SBHCD, (2) standard rental car expenses, (3) round-trip coach flight expenses limited to flights within the continental United States under the normal monthly SBHCD payment process. Physician shall submit an itemized invoice within ten (10) days of the conclusion of each month for expenses from the prior month.