



Hazel Hawkins
MEMORIAL HOSPITAL

AMENDED AGENDA

**SPECIAL AND REGULAR MEETING OF THE BOARD OF DIRECTORS SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, NOVEMBER 16, 2023 – 5:00 P.M.
SUPPORT SERVICES BUILDING, 2ND-FLOOR, GREAT ROOM**

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

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

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

AGENDA

Presented By:

- | | |
|---|--------------------|
| <p>1. <u>Call to Order / Roll Call</u></p> | <p>(Hernandez)</p> |
| <p>2. <u>Public Comment</u>
This opportunity is provided for members of the public to comment on the closed session topics, not to exceed three (3) minutes.</p> | <p>(Hernandez)</p> |
| <p>3. <u>Closed Session</u>
(See Attached Closed Session Sheet Information)</p> | <p>(Hernandez)</p> |
| <p>4. <u>Reconvene Open Session / Closed Session Report</u></p> | <p>(Hernandez)</p> |
| <p>5. <u>Board Announcements</u></p> | <p>(Hernandez)</p> |
| <p>6. <u>Public Comment</u>
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.</p> | <p>(Hernandez)</p> |

7. Consent Agenda – General Business (Pages 1-20)

(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 – October 26, 2023
- B. Receive Officer/Director Written Reports - No action required. (Pages 9-15)
 - 1. Interim Chief Nursing Officer
 - 2. Provider Services & Clinic Operations
 - 3. Skilled Nursing Facilities Reports (Mabie Southside/Northside)
 - 4. Laboratory and Radiology
 - 5. Foundation Report

- C. Consider and Approve Conflict of Interest Waivers (Pages 16-20) for Hooper, Lundy & Bookman Law Firm Regarding the proposed Joint Powers Agency Involving the County of San Benito and Salinas Valley Health

(Quinn)

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

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

8. Medical Executive Committee (Page 21)

(Dr. Bogey)

- A. Consider and Approve Medical Staff Credentials: November 15, 2023 **

Recommended Action: Approval of Credentials.

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

- B. Consider and Approve Medical Staff Financials and Dues Policy **

Recommended Action: Approval of Privileges.

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

9. Receive Informational Reports (Pages 22-50J)

- A. Interim Chief Executive Officer (Pages 22-49) (Casillas)
- ▶ Public Comment
- B. Board Temporary Advisory Committee Update (Hernandez/Pack)
- ▶ Public Comment
- C. Finance Reports (Pages 50-50J) (Robinson)
1. Review Financial Updates
 - Financial Statements – October 2023 **
 - Finance Dashboard – October 2023 **
 - ▶ Public Comment

10. Action Items

- A. Consider Approval of Chief Executive Officer Agreement with Mary Casillas (Hernandez)
(This Item Continued to the Board's Regular Meeting on December 21, 2023)

Recommended Action: Approval of CEO Agreement

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

- B. Consider Approval of Resolution 2023-32 Authorizing The District To Enter Into Agreements With Central California Alliance For Health For the Provision of Health Care Services and Benefits (Pages 51-52) (Robinson)

Recommended Action: Approval of Resolution

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

11. Adjournment

(Hernandez)

The next Regular Meeting of the Board of Directors is scheduled for Thursday, December 21, 2023 at 5:00 p.m., Great Room.

**** To be distributed at the meeting**

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

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

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

**SAN BENITO HEALTH CARE DISTRICT BOARD OF DIRECTORS
NOVEMBER 16, 2023**

AGENDA FOR CLOSED SESSION

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

CLOSED SESSION AGENDA ITEMS

- LICENSE/PERMIT DETERMINATION**
(Government Code §54956.7)

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

- CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
(Government Code §54956.8)

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

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

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

- CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**
(Government Code §54956.9)

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

Additional information required pursuant to Section 54956.9(e): _____

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

- LIABILITY CLAIMS**
(Government Code §54956.95)

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

Agency claimed against: (Specify name): _____

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

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

- PUBLIC EMPLOYEE APPOINTMENT** (This Item has been canceled)
(Government Code §54957)

Title: CEO

- PUBLIC EMPLOYMENT**
(Government Code §54957)

Title:

- PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
(Government Code §54957)

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

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

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

- CONFERENCE WITH LABOR NEGOTIATOR**
(Government Code §54957.6)

Agency designated representative:
Employee organization:
Unrepresented employee:

- CASE REVIEW/PLANNING**
(Government Code §54957.8)

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

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

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility):

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

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

- HEARINGS/REPORTS**
(Government Code §37624.3 & Health and Safety Code §§1461, 32155)

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

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

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

ADJOURN TO OPEN SESSION

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

**THURSDAY, OCTOBER 26, 2023
5:00 P.M.
MINUTES**

HAZEL HAWKINS MEMORIAL HOSPITAL

Directors Present

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

Also Present

Mary Casillas, Interim Chief Executive Officer
Mark Robinson, Chief Financial Officer
Andrea Posey, Interim Chief Nursing Officer
Amy Breen-Lema, VP, Clinic Ambulatory & Physician Services
Michael Bogey, MD, Chief of Staff
Heidi A. Quinn, District Legal Counsel
Nick Koffroth, Special Counsel
Robert Miller, Special Counsel
Richard Peil, B. Riley Advisory Services
Chela Brewer, Executive Assistant
Suzie Mays, Midas System Administrator

1. Call to Order

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

2. Board Announcements

Director Johnson expressed appreciation to Mishel Thomas for an exceptional job in leading the Anthem Blue Cross survey readiness and activities for the clinics.

Director Johnson expressed appreciation to Frankie Gallagher for her exceptional efforts with the San Benito County Fair hospital booth, as well as her work in Marketing/Public Relations.

Ms. Casillas introduced Andie Posie, the new Chief Nursing Officer.

Ms. Casillas announced Amy Breen-Lema is serving as the Vice President, Clinic, Ambulatory & Physician Services.

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 – September 28, 2023
- B. Consider and Approve Compliance Plan 2023
- C. Receive Officer/Director Written Reports - No action required.
 - Interim Chief Nursing Officer
 - Provider Services & Clinic Operations
 - Skilled Nursing Facilities Reports (Mabie Southside/Northside)
 - Laboratory and Radiology
 - Foundation Report
 - Marketing/Public Relations

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

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

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

5. **Report from the Medical Executive Committee Meeting on October 18, 2023 and Recommendations for Board Approval of the following:**

A. **Medical Staff Credentials Report:**

Dr. Bogey, Chief of Staff, provided a review of the Credentials Report from the Interdisciplinary Practice Committee dated October 18, 2023, which was included in the packet.

Dr. Bogey also provided a review of the Credentials Report from the Medical Executive Committee dated October 18, 2023, for consideration as follows:

- New Appointments for Mignonne Morrell, MD, for membership only; Crystal Sosa, MD, for membership only; and Mike Gynn, MD, for locums to provisional.
- Reappointments for Raymond Carrillo, MD, consulting status with the term 11/1/2023 – 10/31/2025; and Marie Claudette Grageda, MD, affiliate status with the term 11/1/2023 – 10/31/2025.
- Change in Status for Peter Gerbino, MD, request of status from courtesy to affiliate.
- Resignations/retirements for Shiva Mohtashami, MD, for voluntary resignation effective 10/1/23 and Areesha K. Ahmed for voluntary resignation effective 8/28/23.

Item: Proposed Approval of the Interdisciplinary Practice Committee Credentials Report for three (3) New Appointments and one (1) Resignation/Retirement, as well as the Medical Executive Committee Credentials Report for three (3) New Appointments, two (2) Reappointments, one (1) Change in Status, and two (2) Resignations/Retirements.

2

No public comment.

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

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

- B. Consider and Approve Amendments to the Application Form for Clinical Privileges/Obstetrics and Gynecology: Dr. Bogey provided a review of the proposed revisions to the Application Form for Clinical Privileges/Obstetrics and Gynecology.

No public comment.

MOTION: By Director Hernandez to approve the revised Radiology Rules & Regulations as presented; Second by Director Sanchez.

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

- C. Consider and Approve Amendments to Ongoing Professional Practice Evaluation Policy: Dr. Bogey provided a review of the proposed revisions to the Ongoing Professional Practice Evaluation Policy.

No public comment.

MOTION: Director Pack to approve the revised Ongoing Professional Practice Evaluation Policy, as presented; Second by Director Johnson.

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

6. Receive Informational Reports

A. Interim Chief Executive Officer

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

- The court-appointed Patient Care Ombudsman (PCO) report has been received and is included in the packet.
- Appreciation was expressed to the Hazel Team, who worked hard to gather requested data and meet with the PCO on numerous occasions. The PCO explored the acute care areas, as well as the skilled nursing facilities and clinics. The Ombudsman will be return and continue to monitor patient care as Hazel Hawkins continues through the bankruptcy process.
- The District hosted a second site visit for an interested party. More information will be provided as it becomes available.
- Work continues with a pollster, and a community poll will be conducted to explore various options. Ms. Quinn, legal counsel, will report back to the Board as to the timing of the poll once additional information is received.
- A meeting was attended with San Benito County Health and Human Services and Dr. Scott to collaborate regarding new masking requirements in the clinical areas when an employee does not have the flu vaccination; this will be effective November 1. Employee Health is working hard to provide flu vaccinations to staff.

- Ms. Casillas and Ms. Breen-Lema are participating on the Hollister High School CTE Advisory Board to develop a Health Science pathway. This will be a four-year program and include job shadows, interview sessions, and guest speakers. Kudos were given to the high school for providing this opportunity for students.
- Ms. Casillas participated in the CAH Advocacy Strategic Planning meeting. The group is looking to develop legislation for assistance with Medicare Advantage, Facilities, and particularly seismic issues.
- Updates will be provided to the Board if additional Letters of Intent are received and will be submitted to the Board Ad Hoc Committee for consideration.

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

B. Board Education

1. Bankruptcy Litigation Update, Case No. 23-50544

Mr. Nick Koffroth, Fox Rothschild, LLP, special counsel for the District in the bankruptcy proceeding, was present to provide an update regarding the status of the bankruptcy case and the transaction process, as well as provide an update of the PCO report.

Initially when the District filed for Chapter 9, the bankruptcy court reviewed the evidence and indicated the District was eligible to file unless a party objected. Two unions, CNA and NUHW, objected to eligibility and at their request, the Court has set trial on eligibility for the first week of December. Currently the parties are going through discovery. The objection has caused the bankruptcy process be delayed and become more expensive. Both unions have asked the Court to hold off on the union contracts until the eligibility has been determined. It is anticipated some important rulings will come in early to mid-December, which will be reported back to Board.

An overview was provided of the transaction process and expected approval steps for a financial transaction. B. Riley, the District's financial advisor, is leading the marketing efforts on behalf of the District, with very close input and coordination with Management and the Board Temporary Advisory Committee. This includes meeting with potential transaction partners, coordinating access to data, and arranging site visits so that potential partners can make a fully informed offer. A Letter of Interest is non-binding and provides a general outline of a proposed transaction. Further development of the Letter of Interest is required to prepare actual transaction documents. Management then makes a recommendation to the Board about the offer it believes to be the highest and best for the District. The District Board will then consider all received offers to make the final determination regarding which proposed transaction to pursue. The Board has the option to apply Bankruptcy Code §363, a provision that sets out the standards of approval for sales and other transactions. If Code §363 is applied, the bankruptcy judge will review the proposed transaction and determine whether it is the highest offer in terms of value to the District and the best offer in terms of non-monetary factors. It is also likely a transaction will require public vote approval. The overall process will include a recommendation by Management, District Board approval, potential review by a federal judge in the bankruptcy case, and a vote of the public. The proposed transaction will be highly considered by the time it reaches final approval and will require approval by several stakeholders, including the public.

The (PCO report is included in the packet. A PCO is automatically assigned by the judge in a bankruptcy case involving an operating healthcare facility to monitor the quality of patient care and represent the interests of the patients. Mr. Jerry Seelig is the appointed PCO for the District.

He is the founder and CEO of a health care management firm and has served as PCO in 26 cases. Mr. Seelig filed the first report with the bankruptcy Court on October 11, 2023 and is required to report every 60 days. He met with Management, conducted on-site visits, and reviewed data to develop an independent report of his findings, which was included in the packet.

The next expected PCO on-site visit is expected November 2023.

2. Fair Market Value:

Mr. Robert Miller of Hooper, Lundy & Bookman, the District's special counsel for transactions, and Mr. Richard Peil of B. Riley Advisory Services, were present to provide an overview of fair market valuation in terms of a potential transaction.

Mr. Peil reported California regulation requires the transfer, sale, or conveyance of district assets to be conducted at Fair Market Value (FMV). FMV is defined as the price at which property exchanges hands between a typical willing buyer and seller when neither party is under any compulsion to buy or sell, and both parties have adequate and reasonable knowledge of relevant facts of the transaction. Ultimately, FMV would need to be determined by an independent appraisal of the assets being conveyed. The due diligence process is an important factor in parties obtaining reasonable knowledge and relevant facts. Part of B. Riley's role is to be in constant communication with interested parties in providing such information. All of the interested organizations have conducted site visits to Hazel Hawkins. Hospital Leadership and District Board members have also conducted site visits to the interested organizations' facilities. AAM has submitted a Letter of Intent and it is anticipated the District will receive an additional Letter of Intent from another organization in the near future. The Board's Temporary Advisory Committee is overseeing the decision-making process, with the assistance of Hospital Leadership.

Mr. Miller provided an overview of applicable law pertaining to a transaction. California Health and Safety Code §32121(p) provides a health care district is authorized to transfer its assets to one or more corporations in exchange for FMV. The statute stipulates that if an independent consultant is sought with expertise in methods of appraisal and valuation who meets government and industry standard, that is considered FMV. The Code also provides that if the District transfers 50 percent or more of its assets, a public vote is required.

The District is considering all interested parties. Specifically, the District is interested in pursuing an organization that can credibly run the hospital and continue to ensure the provision of high quality services to San Benito County. The dollar amount will hinge on how much cash the District requires to pay off outstanding obligations that would be due when the transaction closes. Work is being done to determine the total number of outstanding obligations, at which time additional information can be provided to the Board and the public. Additionally, if there are significant conditions in a proposed transaction that would increase operating costs, that would also impact the FMV analysis. One risk element that could also have a potential impact on the appraisal valuation is the unknown cost of seismic compliance; this will need to be determined.

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

C. Financial Report

1. Review Finance Updates - Mr. Robinson provided an overview of the financial report for October 19, 2023, as well as the Financial Statements and Finance Dashboard for September 2023, included in the Board packet.

Highlights include:

- FMV appraisal – the appraiser from HealthCare Appraisers was on-site to inspect equipment at the various sites and verify the equipment log. He also has the depreciation schedule and will be able to value the equipment.
- There was an assessment of SBHCD presented at the city councils for Hollister and San Juan Bautista and the San Benito County (County) Board of Supervisors by ECG Management Consultants, which was retained by the County. Some of the opinions noted by ECG were the District has decreased its expenses, the District needs capital, and the District does not need to be in Chapter 9. It was noted the report by ECG did not include analysis to support the conclusion that the District did not need to file for Chapter 9. Ultimately, the bankruptcy court will be the entity to determine eligibility for Chapter 9.
- Due to the holidays, it is recommended the November Finance Committee meeting be canceled and the Finance reports be presented at the full Board meeting scheduled for November 16.
- CHFFA approved the District's loan under the Distressed Hospital Loan Program. Work was done with legal counsel to revise the loan agreement to include language relevant to the District's Chapter 9 status. CHFFA has sent the District the revised agreement, which is being reviewed at this time.

The Board requested the financial reports in the Board packet be more legible.

During discussion, it was noted when the emergency board resolution was submitted on November 4, 2022, to petition for bankruptcy it was based off of the prior month and the prior year's numbers. After the Board resolution was approved, the District obtained some relief with the advance of property taxes from the County, a loan from the State related to the QIP program, and the sale of the Maple Street property. This has allowed the District to continue operations. However, the District is still not financially healthy, with less than 35 days cash on hand.

The average days cash on hand for critical access hospitals in California is 222 days. This information can be found at [StateMediansReport_2022_natl.pdf \(flexmonitoring.org\)](#).

Ms. Casillas will provide the staff turnover rate at the the November Board meeting.

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 Vendor Services Agreement - Interpol Private Security for a Two-Year Term, a 10-Day Termination Clause, and Fees 560,000 in Year One (\$576,800 in Year Two).

Staff reviewed the proposed Vendor Services Agreement, 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.

MOTION: By Director Hernandez to approve the Vendor Services Agreement with Interpol Private Security Second by Director Pack.

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

- B. Consider Recommendation for Board Approval of Hospital Services Agreement - Imperial Health Plan of California, Inc. for a One-Year Term with Auto-Renewal for a One-Year Period, a 90-day Termination Clause, IP Pays 115% of DRG and OP Pays 135% of Fee Schedule

Staff reviewed the proposed Hospital Services Agreement, 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.

MOTION: By Director Hernandez to approve the Hospital Services Agreement with Imperial Health Plan of California, Inc.; Second by Director Pack.

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

- C. Consider Recommendation for Board Approval of Update to Affiliations with the California State Board of Pharmacy Disassociation of Affiliations with Former Employees and Board Members, and Addition of Affiliation with Interim CEO.

Staff reviewed the proposed update to the affiliations with the California State Board of Pharmacy, 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.

MOTION: By Director Hernandez to approve update to affiliations with the California State Board of Pharmacy, disassociation of affiliations with former employees and Board Members, and addition of affiliation with Interim CEO, as set forth in the staff report; Second by Director Sanchez.

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

8. **Public Comment:**

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

9. **Closed Session**

President Hernandez announced the items to be discussed in Closed Session as listed on the posted Agenda are (1) Public Employee Appointment, Government Code §54957; (2) Conference with Labor Negotiator, Government Code §54957.6.

The meeting was recessed into Closed Session at 7:30 p.m.

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

The Board of Directors reconvened Open Session at 8:32 p.m. District Counsel Quinn reported that in Closed Session the Board discussed: (1) Public Employee Appointment, Government Code §54957; (2) Conference with Labor Negotiator, Government Code §54957.6.

As to the first item, the Board requested an annual performance evaluation be scheduled for the Interim CEO; no other reportable action was taken; the second item was deferred.

11. **Adjournment:**

There being no further regular business or actions, the meeting was adjourned at 8:32 p.m.

The next Regular Meeting of the Board of Directors is scheduled for Thursday, November 16, 2023 at 5:00 p.m., and will be conducted in person.

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8



San Benito Health Care District
Board of Directors Meeting
November 16, 2023
Chief Nursing Officer Report

➤ **Med / Surg:**

• ADC: 10.22

➤ **ICU:**

• ADC: 2.0

➤ **OB**

• Deliveries: 46

• Outpatients Visits:

➤ **OR**

• Inpatient: 40

• Outpatient: 13

• Total ASC cases: 142

• GI: 106



Hazel Hawkins
MEMORIAL HOSPITAL

To: San Benito Health Care District Board of Directors
 From: Amy Breen-Lema, Vice President, Clinics, Ambulatory & Physician Services
 Date: November 6, 2023
 Re: All Clinics – October 2023

2023 October Rural Health and Specialty Clinics' visit volumes

Total visits in all outpatient clinics = 5,142

Orthopedic Specialty	263
Multi-Specialty	782
Sunset Clinic	923
Surgery & Primary Care Clinic	128
San Juan Bautista	281
1st Street	871
4th Street	1310
Barragan	584

- We are pleased to announce that local pediatrician Dr. Hue Nguyen-Ngo joined our pediatric care team on a part-time weekly basis. She brings over 22 years of dedicated pediatric medicine experience to our clinics with a focus on providing care to patients 13 years of age and under. Dr. Nguyen is a highly esteemed addition to our staff and we are confident that she will greatly enhance the quality of care offered to our young patients.
- Locum tenens board certified orthopedic surgeon Dr. Leticia Bradford provided much needed clinic and emergency call coverage within our orthopedic department this month. Dr. Bradford brings 18 years of orthopedic experience to the community and her arrival meets a critical need within our team. She has swiftly integrated into our practice with clinic consultations and surgical procedures her first week of practice.



Hazel Hawkins
MEMORIAL HOSPITAL
Mabie Southside/Northside Skilled Nursing Facility
Board Report – November 2023

To: San Benito Health Care District Board of Directors

From: Jacqueline Fernandez, MHA, MSN, RN, Interim Director of Nursing, Skilled Nursing Facility/Senior Director of Acute Care Services

1. Census Statistics: October 2023

Southside	2023	Northside	2023
Total Number of Admissions	13	Total Number of Admissions	6
Number of Transfers from HHH	12	Number of Transfers from HHH	6
Number of Transfers to HHH	5	Number of Transfers to HHH	1
Number of Deaths	2	Number of Deaths	1
Number of Discharges	11	Number of Discharges	4
Total Discharges	13	Total Discharges	5
Total Census Days	1,470	Total Census Days	1,525

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: October 2023

Southside	From	Payor	Northside	From	Payor
4	HHMH	Medicare	4	HHMH	Medicare
1	HHMH	Managed Care	1	HHMH	CareMore
2	HHMH	Hospice	1	HHMH	Re-Admit
4	HHMH	Medi-Cal			
1	HHMH	Insurance			
1	Community Hospital	Medicare			
Total: 13			Total: 6		



3. Total Discharges by Payor: October 2023

Southside	2023	Northside	2023
Medicare	4	Medicare	2
Medicare MC	1	Medicare MC	1
Medical	6	Medical	1
Medi-Cal MC	0	Medi-Cal MC	0
Hospice	1	Private (self-pay)	0
Private (self-pay)	1	Insurance	0
Insurance	0		
Total:	13	Total:	4

4. Total Patient Days by Payor: October 2023

Southside	2023	Northside	2023
Medicare	140	Medicare	183
Medicare MC	13	Medicare MC	16
Medical	1,228	Medical	1,233
Medi-Cal MC	0	Medi-Cal MC	0
Hospice	20	Private (self-pay)	62
Private (self-pay)	62	Insurance	31
Insurance	7	Bed Hold / LOA	9
Bed Hold / LOA	23		
Total:	1,493	Total:	1,534
Average Daily Census	48.16	Average Daily Census	49.48



Hazel Hawkins MEMORIAL HOSPITAL

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

=====

Updates:

Laboratory

1. Service/Outreach
 - Laboratory Outpatient Draw stations closed on November 23 for Thanksgiving Holiday.

2. Quality Assurance/Performance Improvement Activities
 - STAGO compact analyzer ongoing validation. Estimated GO Live for patient testing 12/2023

3. Laboratory Statistics

	October 2023	YTD
Total Outpatient Volume	4177	43182
Main Laboratory	1254	12041
HHH Employee Covid Testing	19	2355
Mc Cray Lab	980	10084
Sunnyslope Lab	435	4673
SJB and 4 th Street	80	723
ER and ASC	1349	13306
Total Inpatient Volume	249	4992

Diagnostic Imaging

1. Service/Outreach
 - Diagnostic Imaging Outpatient closed on November 23 for Thanksgiving Holiday.

2. Quality Assurance/Performance Improvement Activities
 - Procedure charge master review



Hazel Hawkins
MEMORIAL HOSPITAL

3. Diagnostic Imaging Statistics

	October 2023	YTD
Radiology	1746	17265
Mammography	656	6651
CT	910	9359
MRI	164	1645
Echocardiography	111	1047
Ultrasound	749	7533



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

The Hazel Hawkins Hospital Foundation Board of Trustees met on November 9 in the Horizon Room. Dr. Ralph Armstrong did a presentation for a request for a new ultrasound equipment. Andie Posey RN, MSN, MHA, Chief Nursing Officer and Jacqueline Fernandez, MHA, MSN, RN Senior Director of Acute Care Services, Interim DON of SNF Northside and Southside attended the presentation and were available for questions as well.

Financial Report for September

1. Income	\$ 35,638.31
2. Expenses	\$ 35,000.00
3. New Donors	4
4. Total Donations	253

Allocations

1. Up to \$35,000 for Ultrasound Equipment for OB Department

Directors Report

- This year's Gourmet Dinner Pick-Up Fundraiser was on November 4th. The Committee met and selected **Bonnie & Alan Clark** for our Donors of the Year, the **Community Foundation** for the Organization Donor of the Year and **Dr. Barra** as our "Heart for Hazel" recipient. We had over 226 people participate and over \$83,000 in sponsorships. Our online auction closed on Nov. 5th and over \$12,000 was raised. We had over 120 people attend the Social Hour. It was a very successful event where there was a lot of positive remarks about the Hospital. All proceeds from this event will go to patient care areas, facility improvements and/or equipment. Thank you to all who helped with the success of this event.
- Our Development Committee continues to reach out to donors in the Community. We gave a tour of the Hospital to Supervisor Curro and Supervisor Sotelo on November 8. They were very impressed with our facilities.
- We have Board Members terming out at the end of the year (Seth, Jill and Tisi are terming out and Nan will finish her first term). The Nominating Committee has met and new Board Members joining our Board are Gerry Wright, Pat Slatten and Mishel Thomas. Thank you to the Board members leaving for their last 6 years of service and the Foundation welcomes the new Board Members.
- November 16th is National Philanthropy Day and our Foundation will be honoring Dr. Armstrong for all of his support over the years.
- Our Scholarship Application will be posted January 1 and due April 1.



To: San Benito Health Care District Board of Directors
From: Heidi Quinn, General Counsel
Date: November 16, 2023
Re: Conflict of Interest Waivers – Hooper, Lundy & Bookman, P.C.

Recommendation: Authorize Interim Chief Executive Officer Mary Casillas to Execute Conflict of Interest Waivers with Hooper, Lundy & Bookman, P.C. for purposes of the proposed Joint Powers Agency proposed by San Benito County and Salinas Valley Health.

Background: The San Benito Health Care District (“District”) engaged Robert F. Miller of Hooper, Lundy & Bookman (“HLB”) to serve as special counsel in connection with the bankruptcy proceedings.

On October 26, 2023, the County of San Benito (“County”) presented the San Benito Health Care District (“District”) with a letter of intent proposing the formation of a Joint Powers Agency (“Transaction”) involving Salinas Valley Health (“SVH”). The District wishes Mr. Miller to continue representing the District in the proposed Transaction; however, HLB also represents the County and SVH in unrelated matters.

Rules of professional conduct require disclosure of potential conflict of interests and informed written consent. As such, HLB has requested the District waive any conflict of interest that may arise in connection with the proposed Transaction. HLB has represented that it will continue to preserve the District’s confidences and zealously represent the District.

The Board’s action is exempt from review under the California Environmental Quality Act (Public Resources Code section 21000 *et seq.*) (“CEQA”) pursuant to 14 Cal. Code of Regulations section 15378, as it is not a project.

November 10, 2023

VIA EMAIL ONLY TO mcasillas@hazelhawkins.com

Mary Casillas, MHA
Interim, Chief Executive Officer
Hazel Hawkins Memorial Hospital
911 Sunset Dr.
Hollister, CA 95023

Re: Conflict Waiver

Dear Ms. Casillas:

As you know, Hooper, Lundy & Bookman, P.C. (“**HLB**”) represents San Benito Health Care District, also known as Hazel Hawkins Hospital (“**HHMH**”), as special counsel in connection with HHMH’s bankruptcy proceedings (collectively, the “**Engagement**”).

HLB also represents the County of San Benito (“**County**”) in one or more matters unrelated to the Engagement (“**Unrelated Matters**”). HHMH recently received a proposal for one or more transactions by and among San Benito Health Care District, the County of San Benito, and Salinas Valley Health (collectively, the “Proposed Transaction.”). HHMH has requested that HLB represent HHMH in the Proposed Transaction. Because HLB represents the County in Unrelated Matters, we have requested that you waive any conflict of interest that may arise from our representation of the County in Unrelated Matters in connection with our representation of HHMH in connection with the Proposed Transaction. By signing below, you agree that you waive any such conflict of interest and you also agree not to seek disqualification of HLB in the event of any future dispute between HHMH and the County relating to the Proposed Transaction.

Please be assured that, despite our representation of the County, we will strictly preserve all of HHMH’s client confidences and zealously represent HHMH with respect to the Proposed Transaction. In addition, it is possible that during the course of HLB’s representation of the County, HLB has learned information from or pertaining to the County that would be important to HHMH, but that HLB could not disclose to HHMH because of our duty to maintain the County’s confidential information. You should carefully consider this restriction before providing your consent to our representation of HHMH as described herein.

If HLB should become aware that its representation of HHMH is adversely affected by any representation of the County in Unrelated Matters, HLB will take steps to address any such conflict. This may include HLB’s termination of HLB’s legal representation of either the

Hazel Hawkins Memorial Hospital
November 10, 2023
Page 2

County and/or HHMH, either in connection with specific matters or entirely. HLB has requested that the County consent to our representation of HHMH on the Proposed Transaction on substantively the same terms presented herein, and the County has agreed in writing to this request.

HLB very much values its relationship with HHMH and is committed to providing HHMH with the best legal representation, consistent with all of HLB's ethical obligations. If you have any questions regarding this letter, please feel free to call me.

You have agreed to waive any conflict of interest in this matter and have consented to our representation of HHMH regarding Proposed Transaction despite our representation of the County in Unrelated Matters. You have also agreed not to seek disqualification of HLB in the event of any future dispute between HHMH and the County relating to the Proposed Transaction. Since the ethical rules of the State Bar of California require that such waivers be in writing, we request that you provide your written confirmation by signing below.

We appreciate your cooperation in this regard, and will, as always, maintain the confidentiality of all matters which have, or will be, communicated to us in the course of our representation of HHMH.

Very truly yours,

Robert F. Miller

RFM/RFM

cc: Heidi Quinn, Esq.

On behalf of San Benito Hospital District, I hereby waive any conflict of interest and consent to HOOPER LUNDY & BOOKMAN, P.C.'s representation of HHMH in accordance with the terms set forth above.

Dated: _____

By: _____
Mary Casillas, Interim CEO
San Benito Hospital District



HOOPER, LUNDY & BOOKMAN, P.C.
1875 CENTURY PARK EAST, SUITE 1600
LOS ANGELES, CALIFORNIA 90067
TELEPHONE: (310) 551-8111

ROBERT F. MILLER
rmiller@hooperlundy.com
(310) 551-8151

File No. 77001.912

November 10, 2023

VIA EMAIL ONLY TO mcasillas@hazelhawkins.com

Mary Casillas, MHA
Interim, Chief Executive Officer
Hazel Hawkins Memorial Hospital
911 Sunset Dr.
Hollister, CA 95023

Re: Conflict Waiver

Dear Ms. Casillas:

As you know, Hooper, Lundy & Bookman, P.C. (“**HLB**”) represents San Benito Health Care District, also known as Hazel Hawkins Hospital (“**HHMH**”), as special counsel in connection with HHMH’s bankruptcy proceedings (collectively, the “**Engagement**”).

HLB also represents the Salinas Valley Health (“**Salinas Valley**”) in one or more matters unrelated to the Engagement (“**Unrelated Matters**”). HHMH recently received a proposal for one or more transactions by and among San Benito Health Care District, the County of San Benito, and Salinas Valley Health (collectively, the “**Proposed Transaction**”). HHMH has requested that HLB represent HHMH in the Proposed Transaction. Because HLB represents Salinas Valley in Unrelated Matters, we have requested that you waive any conflict of interest that may arise from our representation of Salinas Valley in Unrelated Matters in connection with our representation of HHMH in connection with the Proposed Transaction. By signing below, you agree that you waive any such conflict of interest and you also agree not to seek disqualification of HLB in the event of any future dispute between HHMH and Salinas Valley relating to the Proposed Transaction.

Please be assured that, despite our representation of Salinas Valley, we will strictly preserve all of HHMH’s client confidences and zealously represent HHMH with respect to the Proposed Transaction. In addition, it is possible that during the course of HLB’s representation of Salinas Valley, HLB has learned information from or pertaining to Salinas Valley that would be important to HHMH, but that HLB could not disclose to HHMH because of our duty to maintain Salinas Valley’s confidential information. You should carefully consider this restriction before providing your consent to our representation of HHMH as described herein.

If HLB should become aware that its representation of HHMH is adversely affected by any representation of Salinas Valley in Unrelated Matters, HLB will take steps to address any such conflict. This may include HLB’s termination of HLB’s legal representation of either

Hazel Hawkins Memorial Hospital
November 10, 2023
Page 2

Salinas Valley and/or HHMH, either in connection with specific matters or entirely. HLB has requested that Salinas Valley consent to our representation of HHMH on the Proposed Transaction on substantively the same terms presented herein, and Salinas Valley has agreed in writing to this request.

HLB very much values its relationship with HHMH and is committed to providing HHMH with the best legal representation, consistent with all of HLB's ethical obligations. If you have any questions regarding this letter, please feel free to call me.

You have agreed to waive any conflict of interest in this matter and have consented to our representation of HHMH regarding Proposed Transaction despite our representation of Salinas Valley in Unrelated Matters. You have also agreed not to seek disqualification of HLB in the event of any future dispute between HHMH and Salinas Valley relating to the Proposed Transaction. Since the ethical rules of the State Bar of California require that such waivers be in writing, we request that you provide your written confirmation by signing below.

We appreciate your cooperation in this regard, and will, as always, maintain the confidentiality of all matters which have, or will be, communicated to us in the course of our representation of HHMH.

Very truly yours,

Robert F. Miller

RFM/RFM

cc: Heidi Quinn, Esq.

On behalf of San Benito Hospital District, I hereby waive any conflict of interest and consent to HOOPER LUNDY & BOOKMAN, P.C.'s representation of HHMH in accordance with the terms set forth above.

Dated: _____

By: _____
Mary Casillas, Interim CEO
San Benito Hospital District

MEDICAL EXECUTIVE COMMITTEE

(Reports to be distributed at or prior to meeting)

Interim CEO Report
November 2023

Financial Emergency Update

- Spent 2 days with Ombudsman group on site where they reviewed SNF, Revenue Cycle, Quality, OB, OR, HIM, Contracts, Infection Prevention, Medical Staff, Case Management, Social Work, Environment of Care, and the Clinics.
- Met with Ad Hoc committee where the pollster information was reviewed. SBC LOI reviewed.
- Received LOI from San Benito County. Awaiting conflict of interest with SBC, SVH, and Hooper Lundy.

CEO Activities

- Attended HHH Foundation annual dinner event at Tres Pinos Inn. \$83,000 in sponsorships and \$12,000 in the online auction was raised on this night. We would like to congratulate and thank Liz Sparling, the event committee, and the Foundation Board for all of their hard working in making the night a success.
- Met with the Central Coast Alliance on Health (CAAH) grant team to discuss potential grants we will be eligible for after we switch over to their contract next year.
- Attended student presentations at the High School for the Health Sciences Pathway program.
- Attended Health Sciences Pathway advisory committee meeting November 9.
- Attended the Monterey Bay CEO meeting for the Hospital Council.
- Held Employee forums on November 9 to discuss Financial Status, Hospital Update, and answer questions.

HR

- The overall District employee turnover rate for the last rolling year has been calculated at less than 6%. The national average is 22%. See attached report <https://www.dailypay.com/resource-center/blog/employee-turnover-rates-in-the-healthcare-industry/>
https://www.nsinursingsolutions.com/Documents/Library/NSI_National_Health_Care_Retention_Report.pdf

HUMAN RESOURCES TURNOVER RATE

DEPARTMENTAL METRICS	4Q22	1Q23	2Q23	3Q23	4Q23	YTD
# Employees	721	700	678	673		693
# New Hires	33	8	19	21		81
# Terminations	26	50	31	35		142
Overall Turnover	3.6%	7.1%	4.6%	5.2%		5.1%
Nursing Turnover	4.0%	8.90%	11.43%	8.5%		8.2%



(717) 560-3863

Recruitment. Retention. Results.

2023 NSI National Health Care Retention & RN Staffing Report

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

Preface

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

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

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

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

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

About NSI Nursing Solutions, Inc.

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

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

Partial Listing of Survey Participants

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



Executive Summary

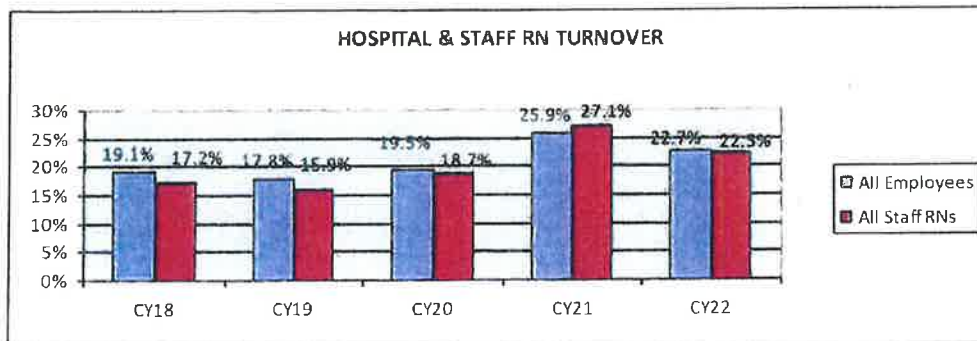
Recruiting and retaining quality staff remains the top healthcare issue. Last year, hospitals were able to recapture 5.65% of the talent lost during the “Great Resignation”, essentially adding 975,000 employees back to the rolls. Of this, 142,375 RNs returned which represents a 4.17% RN add rate. This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

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

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

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

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



Methodology

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

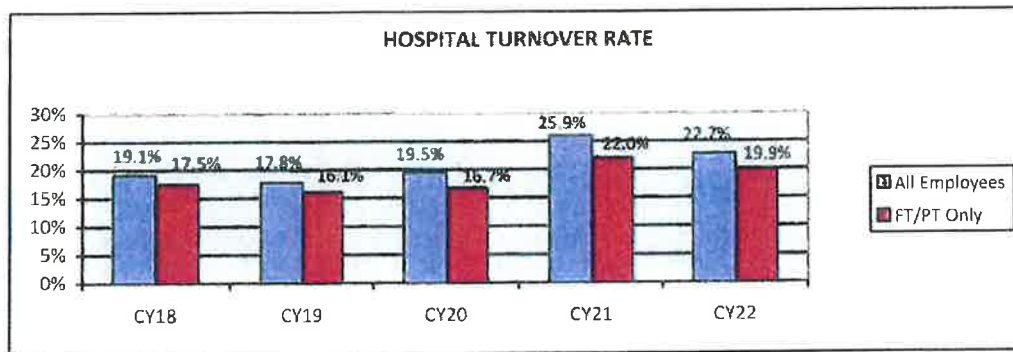
All findings are reported in the aggregate. Since organizations track and report turnover differently, it is important to establish a consistent methodology. To this end, raw data was collected on all employee terminations, whether voluntary or involuntary. Temporary, agency and travel staff were specifically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

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

Hospital Staffing & Turnover

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

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



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

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

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

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

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

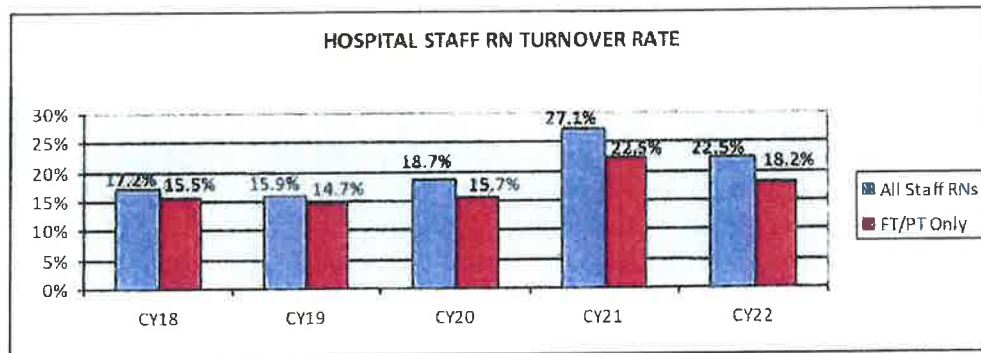
REGION	HOSPITAL TURNOVER	FULL/PART TIME TURNOVER
North East – (CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI & VT)	22.2% (-3.5%)	18.9% (-2.9%)
North Central – (IA, IL, IN, KS, MI, MN, MO, MT, ND, NE, OH, SD, WI & WY)	20.7% (-7.9%)	18.4% (-6.3%)
South East – (AL, FL, GA, KY, MS, NC, SC, TN, VA & WV)	23.5%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

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

Staff Registered Nurse Turnover

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

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



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

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

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

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

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

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

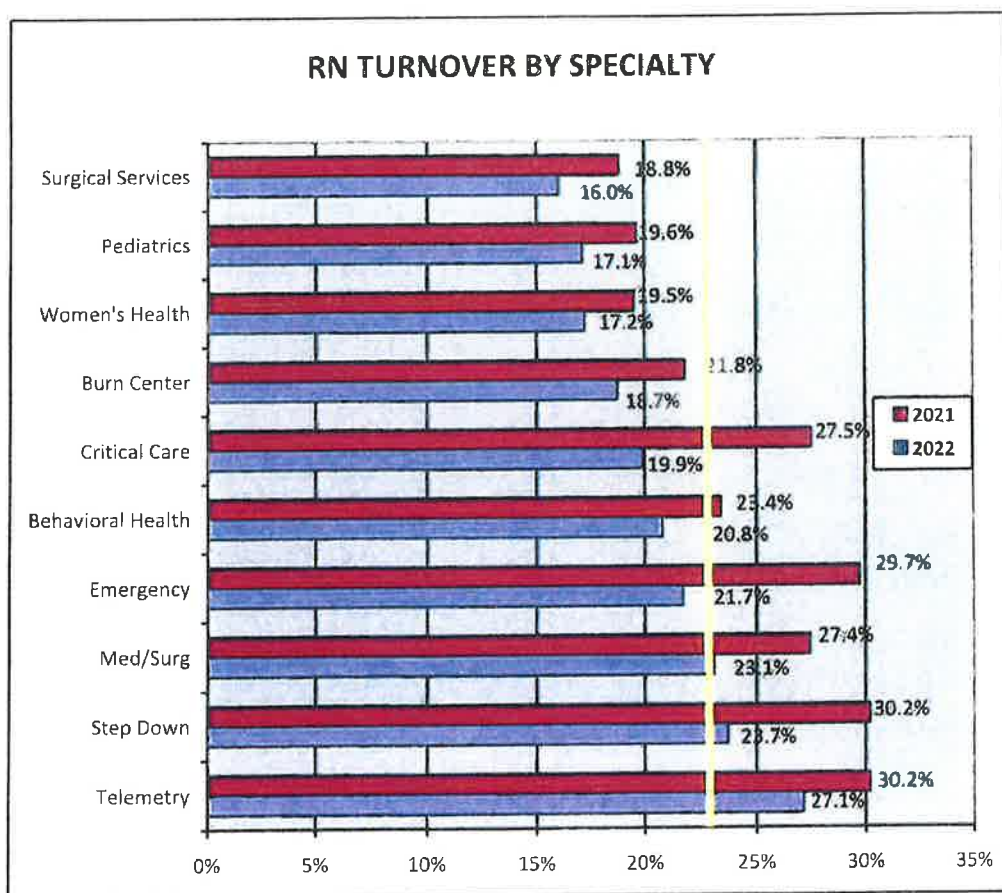
To better understand how hospitals met their RN staffing complement during these challenging times, respondents were asked to identify which strategies were utilized and to rate how effective each were in meeting the goal. The top five most common strategies to staff the bedside include: asking RNs to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

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

Registered Nurse Turnover by Specialty

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

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



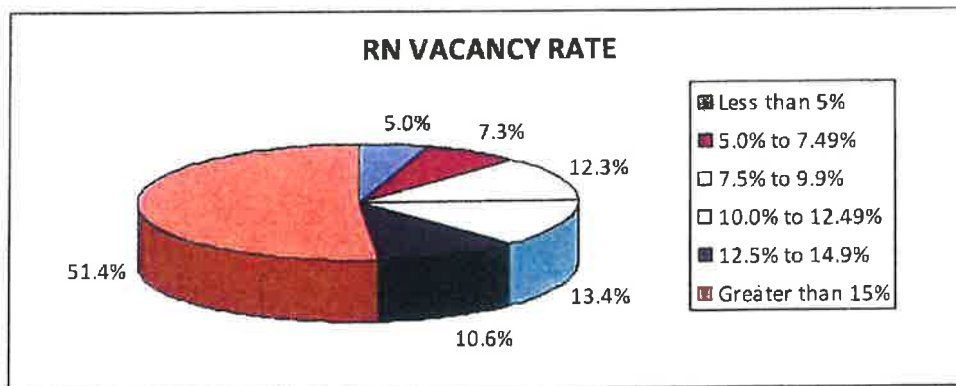
RN Vacancy Rate

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

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

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

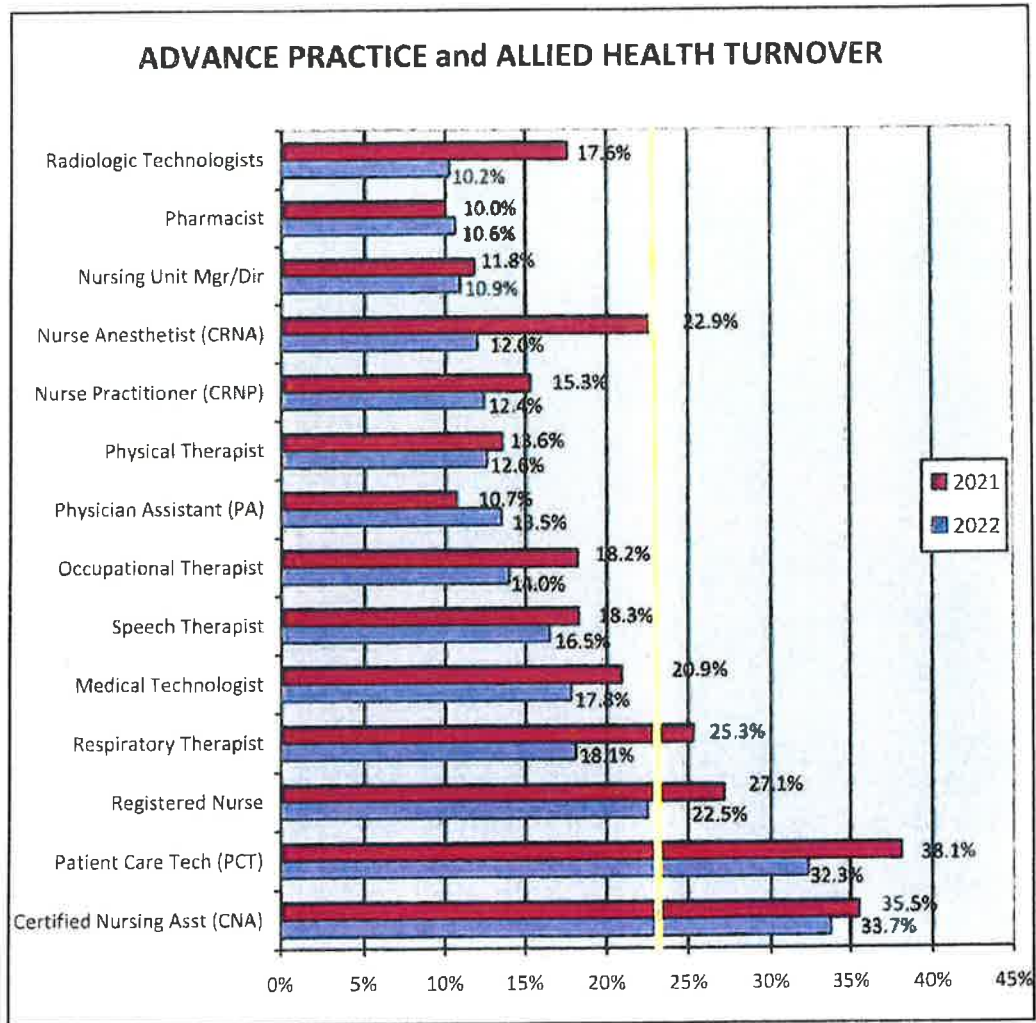
RN VACANCY RATE	2019	2020	2021	2022	2023
Less than 5%	21.9%	19.3%	23.9%	6.5%	5.0%
5.0% to 7.49%	22.8%	18.2%	13.8%	3.6%	7.3%
7.5% to 9.9%	31.6%	30.7%	26.6%	8.6%	12.3%
10.0% to 12.49%	12.3%	15.9%	22.9%	12.2%	13.4%
12.5% to 14.9%	5.3%	4.5%	3.7%	7.9%	10.6%
Greater than 15.0%	6.1%	11.4%	9.2%	61.2%	51.4%
Average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



Advance Practice and Allied Health Turnover

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

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



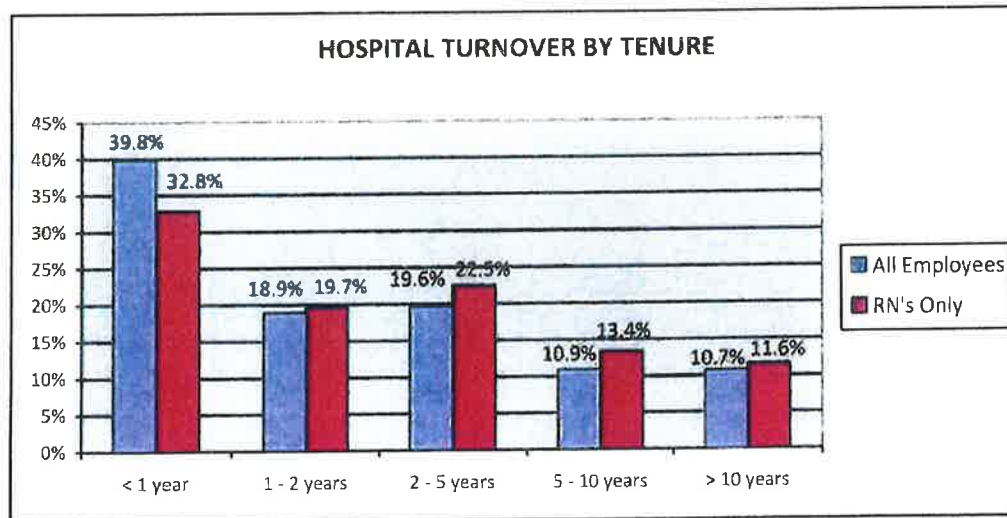
Hospital Turnover by Tenure

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

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

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

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

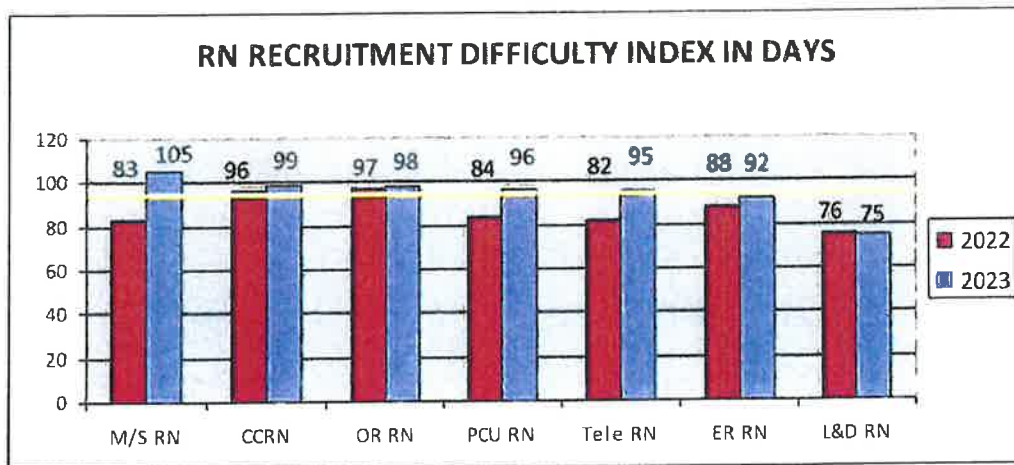


RN Recruitment Difficulty Index

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

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

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

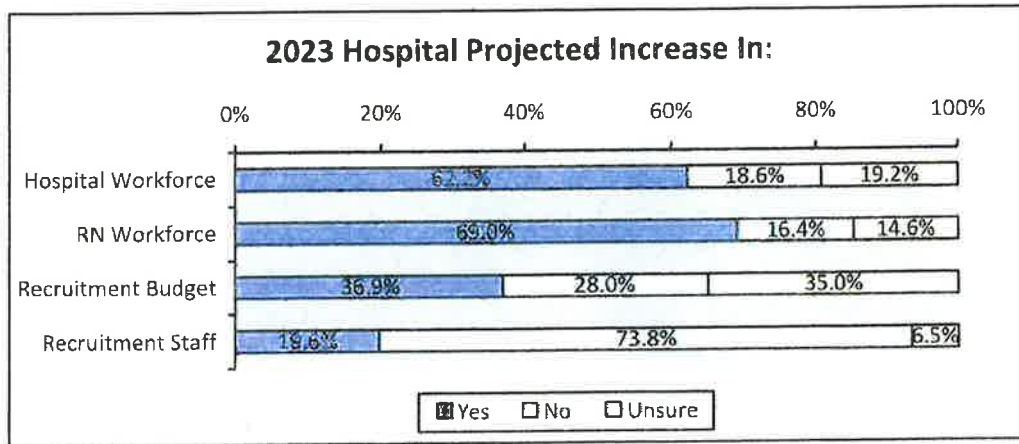


When it comes to recruiting RNs, not all regions perform the same. The West outperformed all other regions and could recruit RNs quicker, with an average time to fill of 72 days, an eight (8) day increase from 2021. The South-East and South-Central regions also posted below the national benchmark at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

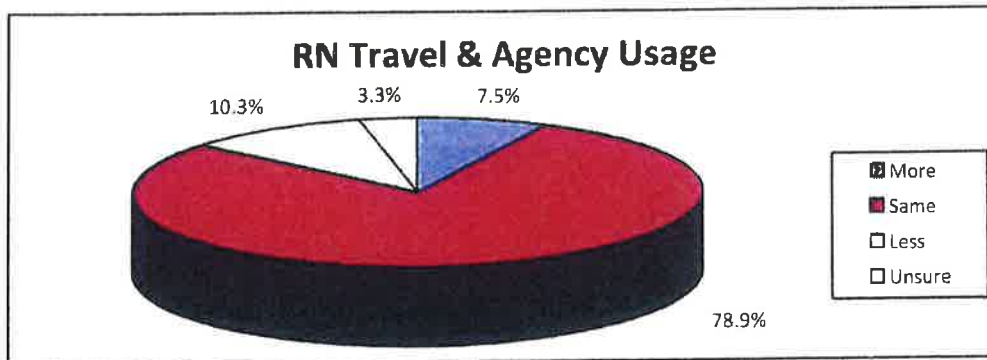
Workforce Projections

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

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



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



Conclusion

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

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

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

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

CLOSE

2023 NSI Quick Reference Guide

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

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

**Based on the average of the selected range.

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

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

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

Recruitment & Retention Strategies

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

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

Healthcare Turnover Rates [2023 Update]



Jonnathan Coleman

June 20, 2023



Home / Blog



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

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

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

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

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

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

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

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

Retention Patterns in Healthcare

The 2023 NSI Report, revealed several patterns of turnover.

2023 Turnover by Position

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

By Demographic

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

By Tenure

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

By Facility

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

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

Hardest Positions To Fill

Long periods of unfilled positions contribute to high turnover rates. And, while the nursing shortage has received a lot of media attention, it's getting even more difficult to recruit.

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

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

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

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

- Front office support staff turnover: 20%

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

The Cost of Turnover and Staffing Gaps

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

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

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

Industry experts estimate the average cost of turnover across all occupations in the healthcare industry can range up to 150% of a mid-level employee's salary¹⁶. For example, the average cost of turnover for a bedside RN is estimated at \$52,350. Given the 13.5% increase in cost from the previous year, the average hospital lost nearly \$7 million last year.¹⁷

Why Turnover Is a Problem in the Healthcare Industry

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

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

- Job hoppers

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

Recruiting, Engaging and Retaining Employees

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

Improve Retention Strategies

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

Focus on Employee Experience

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

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

Find Leverage in a Competitive Market

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

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

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

Companies who offer on-demand pay see significant benefits:

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

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

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

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

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

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

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

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

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

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

⁸ [BLS, 2022](#)

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

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

- 11 [2023 NSI National Healthcare Retention & RN Staffing Report](#)
- 12 [2023 NSI National Healthcare Retention & RN Staffing Report](#)
- 13 [2023 NSI National Healthcare Retention & RN Staffing Report](#)
- 14 [2023 NSI National Healthcare Retention & RN Staffing Report](#)
- 15 [2023 NSI National Healthcare Retention & RN Staffing Report](#)
- 16 [Arbor Associates, 2021](#)
- 17 [2023 NSI National Healthcare Retention & RN Staffing Report](#)
- 18 Harris Poll survey commissioned by IntelyCare and DailyPay, November 2022

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(831) 637-5711

November 16, 2023

CFO Financial Summary for the District Board:

For the month ending October 31, 2023, the District's Net Surplus (**Loss**) is \$885,779 compared to a budgeted Surplus (**Loss**) of (\$218,847). The District exceeded its budget for the month by \$1,104,626.

YTD as of October 31, 2023, the District's Net Surplus (**Loss**) is \$2,035,270 compared to a budgeted Surplus (**Loss**) of \$787,463. The District is exceeding its budget YTD by \$1,247,807.

Acute discharges were 159 for the month, under budget by 32 discharges or 17%. The ADC was 15.45 compared to a budget of 18.83. The ALOS was 3.01. The acute I/P gross revenue was under budget by **\$2.5 million** while O/P services gross revenue was **\$4.65 million** or 20% over budget. ER I/P visits were 116 and ER O/P visits were over budget by 106 visit or 6%. The RHCs & Specialty Clinics treated 4,097 (includes 584 visits at the Diabetes Clinic) and 1,045 visits respectively.

Other Operating revenue was under budget by **\$134,869** due mainly to the timing of the Small Rural Hospital Improvement grant.

Operating Expenses were under budget by **\$540,730** due mainly to variances in: Employee Benefits being under budget by \$363,601 (Sick Leave accounted for \$89,485 in savings), Professional Fees by \$217,476, and Supplies by \$115,655.

Non-operating Revenue was just over budget by **\$1,092**.

The SNFs ADC was **96.61** for the month. The Net Surplus (**Loss**) is **\$887,809** compared to a budget of \$224,595. YTD, the Net Surplus (**Loss**) is \$1,962,835, exceeding its budget by \$1,074,950. During the month, the State reprocessed all Medi-Cal claims according to their new rates effective **08/01/2022** and **05/12/2023**.

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 10/31/23

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 10/31/23	BUDGET 10/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 10/31/22	ACTUAL 10/31/23	BUDGET 10/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 10/31/22
GROSS PATIENT REVENUE:										
ACUTE ROUTINE REVENUE	3,520,683	4,860,695	(1,340,012)	(28)	4,504,284	12,355,615	18,992,947	(6,637,332)	(35)	17,160,381
SNF ROUTINE REVENUE	2,252,580	2,092,500	160,080	8	2,095,600	8,999,158	8,302,500	696,658	8	8,155,100
ANCILLARY INPATIENT REVENUE	3,795,966	4,944,143	(1,148,177)	(23)	4,728,449	15,176,489	21,190,731	(6,014,242)	(28)	20,858,570
HOSPITALIST/PEDS I/P REVENUE	143,423	190,834	(47,411)	(25)	182,850	556,077	757,173	(201,096)	(27)	757,691
TOTAL GROSS INPATIENT REVENUE	9,712,652	12,088,172	(2,375,520)	(20)	11,511,183	37,087,338	49,243,351	(12,156,013)	(25)	46,931,742
ANCILLARY OUTPATIENT REVENUE	27,492,138	22,850,160	4,641,978	20	21,929,861	107,473,275	97,267,212	10,206,063	11	88,991,129
HOSPITALIST/PEDS O/P REVENUE	68,131	61,405	6,726	11	50,270	225,079	243,632	(18,553)	(8)	242,151
TOTAL GROSS OUTPATIENT REVENUE	27,560,269	22,911,565	4,648,704	20	21,980,131	107,698,355	97,510,844	10,187,511	10	89,233,280
TOTAL GROSS PATIENT REVENUE	37,272,921	34,999,737	2,273,184	7	33,491,314	144,785,692	146,754,195	(1,968,503)	(1)	136,165,021
DEDUCTIONS FROM REVENUE:										
MEDICARE CONTRACTUAL ALLOWANCES	10,804,993	10,057,476	747,517	7	9,854,552	39,015,285	42,232,338	(3,217,053)	(8)	39,152,070
MEDI-CAL CONTRACTUAL ALLOWANCES	9,532,979	9,439,838	93,141	1	7,542,706	41,197,276	39,850,626	1,346,650	3	33,232,538
BAD DEBT EXPENSE	751,015	391,626	359,389	92	535,036	2,670,687	1,647,152	1,023,535	62	1,429,126
CHARITY CARE	51,215	36,545	14,670	40	30,087	221,165	153,903	67,262	44	135,618
OTHER CONTRACTUALS AND ADJUSTMENTS	4,309,050	3,935,337	373,713	10	3,977,151	17,132,714	16,611,020	521,694	3	14,958,486
HOSPITALIST/PEDS CONTRACTUAL ALLOW	(232)	12,118	(12,350)	(102)	(13,674)	16,768	51,009	(34,241)	(67)	45,972
TOTAL DEDUCTIONS FROM REVENUE	25,449,020	23,872,940	1,576,080	7	21,925,858	100,253,893	100,546,048	(292,155)	0	88,953,809
NET PATIENT REVENUE	11,823,901	11,126,797	697,104	6	11,565,456	44,531,799	46,208,147	(1,676,348)	(4)	47,211,212
OTHER OPERATING REVENUE	447,630	582,499	(134,869)	(23)	1,029,706	2,234,678	2,329,996	(95,318)	(4)	3,686,662
NET OPERATING REVENUE	12,271,531	11,709,296	562,235	5	12,595,162	46,766,477	48,538,143	(1,771,666)	(4)	50,897,874
OPERATING EXPENSES:										
SALARIES & WAGES	4,795,734	4,758,709	37,025	1	4,959,126	18,742,237	18,847,927	(105,690)	(1)	19,749,709
REGISTRY	298,604	200,000	98,604	49	629,837	1,045,287	800,000	245,287	31	2,417,138
EMPLOYEE BENEFITS	2,072,738	2,453,087	(380,349)	(16)	2,674,814	8,220,982	9,902,136	(1,681,154)	(17)	10,546,705
PROFESSIONAL FEES	1,434,843	1,652,445	(217,602)	(13)	1,653,488	6,148,915	6,559,897	(410,982)	(6)	6,210,421
SUPPLIES	1,055,524	1,149,591	(94,068)	(8)	1,217,656	3,971,776	4,833,349	(861,573)	(18)	4,962,914
PURCHASED SERVICES	1,086,348	1,093,679	(7,331)	(1)	1,188,817	4,275,841	4,339,428	(63,587)	(2)	4,945,249
RENTAL	164,887	131,560	33,327	25	133,053	532,154	524,965	7,189	1	600,664
DEPRECIATION & AMORT	329,180	320,773	8,407	3	326,199	1,308,553	1,283,100	25,453	2	1,281,444
INTEREST	42,617	25,417	17,200	68	3,523	130,303	101,668	28,635	28	20,639
OTHER	399,889	436,401	(36,512)	(8)	362,015	1,600,185	1,732,292	(132,108)	(8)	1,773,163
TOTAL EXPENSES	11,680,363	12,221,662	(541,299)	(4)	13,148,526	45,976,232	48,924,762	(2,948,531)	(6)	52,508,045
NET OPERATING INCOME (LOSS)	591,168	(512,366)	1,103,534	(215)	(553,363)	790,245	(386,619)	1,176,864	(304)	(1,610,171)

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HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 10/31/23

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 10/31/23	BUDGET 10/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 10/31/22	ACTUAL 10/31/23	BUDGET 10/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 10/31/22
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	975	5,000	(4,025)	(81)	2,684	74,634	20,000	54,634	273	141,791
PROPERTY, TAX REVENUE	205,711	205,709	2	0	195,915	822,844	822,842	2	0	783,660
GO BOND PROP TAXES	170,388	170,388	0	0	164,964	681,551	681,552	(1)	0	659,857
GO BOND INT REVENUE\EXPENSE	(68,721)	(68,721)	0	0	(72,048)	(274,884)	(274,884)	0	0	(288,190)
OTHER NON-OPER REVENUE	17,735	13,843	3,892	28	10,584	76,111	55,372	20,739	38	49,205
OTHER NON-OPER EXPENSE	(32,700)	(32,700)	0	0	(38,729)	(131,022)	(130,800)	(222)	0	(152,877)
INVESTMENT INCOME	1,223	0	1,223		448	(4,209)	0	(4,209)		695
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	294,611	293,519	1,092	0	263,820	1,245,025	1,174,082	70,943	6	1,194,140
NET SURPLUS (LOSS)	885,779	(218,847)	1,104,626	(505)	(289,544)	2,035,270	787,463	1,247,807	159	(416,030)
EBIDA	\$ 1,145,992	\$ 32,959	\$ 1,113,033	3,377.02%	\$ (17,534)	\$ 3,068,178	\$ 1,794,695	\$ 1,273,483	70.95%	\$ 646,624
EBIDA MARGIN	9.34%	0.28%	9.06%	3,217.44%	(0.14)%	6.56%	3.70%	2.86%	77.43%	1.27%
OPERATING MARGIN	4.82%	(4.38)%	9.19%	(210.09)%	(4.39)%	1.69%	(0.80)%	2.49%	(312.14)%	(3.16)%
NET SURPLUS (LOSS) MARGIN	7.22%	(1.87)%	9.09%	(486.20)%	(2.30)%	4.35%	1.62%	2.73%	168.23%	(0.82)%

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HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 10/31/23

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 10/31/23	BUDGET 10/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 10/31/22	ACTUAL 10/31/23	BUDGET 10/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 10/31/22
GROSS PATIENT REVENUE:										
ROUTINE REVENUE	3,520,683	4,860,695	(1,340,012)	(28)	4,504,284	12,355,615	18,992,947	(6,637,332)	(35)	17,160,381
ANCILLARY INPATIENT REVENUE	3,471,618	4,572,450	(1,100,832)	(24)	4,360,130	13,845,070	19,695,455	(5,850,385)	(30)	19,230,008
HOSPITALIST I/P REVENUE	143,423	190,834	(47,411)	(25)	182,850	556,077	757,173	(201,096)	(27)	757,691
TOTAL GROSS INPATIENT REVENUE	<u>7,135,724</u>	<u>9,623,979</u>	<u>(2,488,255)</u>	<u>(26)</u>	<u>9,047,263</u>	<u>26,756,762</u>	<u>39,445,575</u>	<u>(12,688,813)</u>	<u>(32)</u>	<u>37,148,080</u>
ANCILLARY OUTPATIENT REVENUE	27,492,138	22,850,160	4,641,978	20	21,929,861	107,473,275	97,267,212	10,206,063	11	88,991,129
HOSPITALIST O/P REVENUE	68,131	61,405	6,726	11	50,270	225,079	243,632	(18,553)	(8)	242,151
TOTAL GROSS OUTPATIENT REVENUE	<u>27,560,269</u>	<u>22,911,565</u>	<u>4,648,704</u>	<u>20</u>	<u>21,980,131</u>	<u>107,698,355</u>	<u>97,510,844</u>	<u>10,187,511</u>	<u>10</u>	<u>89,233,280</u>
TOTAL GROSS ACUTE PATIENT REVENUE	<u>34,695,993</u>	<u>32,535,544</u>	<u>2,160,449</u>	<u>7</u>	<u>31,027,394</u>	<u>134,455,117</u>	<u>136,956,419</u>	<u>(2,501,302)</u>	<u>(2)</u>	<u>126,381,359</u>
DEDUCTIONS FROM REVENUE ACUTE:										
MEDICARE CONTRACTUAL ALLOWANCES	10,548,465	9,779,652	768,813	8	9,548,460	37,949,928	41,113,606	(3,163,678)	(8)	38,064,822
MEDI-CAL CONTRACTUAL ALLOWANCES	9,959,156	9,331,530	627,626	7	7,391,570	40,998,064	39,420,886	1,577,178	4	32,613,500
BAD DEBT EXPENSE	728,524	381,626	346,898	91	533,261	2,588,393	1,607,152	981,241	61	1,421,030
CHARITY CARE	51,215	36,545	14,670	40	30,087	221,165	153,903	67,262	44	135,618
OTHER CONTRACTUALS AND ADJUSTMENTS	4,248,707	3,868,377	380,330	10	3,886,878	16,994,035	16,345,340	648,695	4	14,658,142
HOSPITALIST/PEDS CONTRACTUAL ALLOW	(232)	12,118	(12,350)	(102)	(13,674)	16,768	51,009	(34,241)	(67)	45,972
TOTAL ACUTE DEDUCTIONS FROM REVENUE	<u>25,535,835</u>	<u>23,409,848</u>	<u>2,125,987</u>	<u>9</u>	<u>21,376,581</u>	<u>98,768,353</u>	<u>98,691,896</u>	<u>76,457</u>	<u>0</u>	<u>86,939,083</u>
NET ACUTE PATIENT REVENUE	<u>9,160,157</u>	<u>9,125,696</u>	<u>34,461</u>	<u>0</u>	<u>9,650,813</u>	<u>35,686,764</u>	<u>38,264,523</u>	<u>(2,577,759)</u>	<u>(7)</u>	<u>39,442,276</u>
OTHER OPERATING REVENUE	447,630	582,499	(134,869)	(23)	1,029,706	2,234,678	2,329,996	(95,318)	(4)	3,686,662
NET ACUTE OPERATING REVENUE	<u>9,607,787</u>	<u>9,708,195</u>	<u>(100,408)</u>	<u>(1)</u>	<u>10,680,519</u>	<u>37,921,442</u>	<u>40,594,519</u>	<u>(2,673,077)</u>	<u>(7)</u>	<u>43,128,938</u>
OPERATING EXPENSES:										
SALARIES & WAGES	3,794,860	3,818,921	(24,061)	(1)	4,015,155	14,855,056	15,117,262	(262,206)	(2)	15,995,247
REGISTRY	291,888	167,000	124,888	75	615,399	940,827	668,000	272,827	41	2,293,538
EMPLOYEE BENEFITS	1,560,054	1,923,655	(363,601)	(19)	2,177,440	6,330,404	7,799,812	(1,469,408)	(19)	8,389,025
PROFESSIONAL FEES	1,432,633	1,650,109	(217,476)	(13)	1,651,278	6,140,075	6,550,551	(410,476)	(6)	6,201,071
SUPPLIES	944,578	1,060,233	(115,655)	(11)	1,135,880	3,576,813	4,476,969	(900,156)	(20)	4,577,833
PURCHASED SERVICES	999,622	986,216	13,406	1	1,075,730	3,922,488	3,913,045	9,443	0	4,502,553
RENTAL	163,875	130,516	33,359	26	132,630	528,126	528,808	7,318	1	597,207
DEPRECIATION & AMORT	289,659	281,320	8,339	3	287,572	1,150,855	1,125,280	25,575	2	1,122,831
INTEREST	42,617	25,417	17,200	68	3,523	130,303	101,668	28,635	28	20,639
OTHER	361,074	378,202	(17,128)	(5)	312,560	1,416,203	1,501,354	(85,151)	(6)	1,518,284
TOTAL EXPENSES	<u>9,880,859</u>	<u>10,421,589</u>	<u>(540,730)</u>	<u>(5)</u>	<u>11,407,165</u>	<u>38,991,151</u>	<u>41,774,749</u>	<u>(2,783,598)</u>	<u>(7)</u>	<u>45,218,228</u>
NET OPERATING INCOME (LOSS)	<u>(273,072)</u>	<u>(713,394)</u>	<u>440,322</u>	<u>(62)</u>	<u>(726,646)</u>	<u>(1,069,709)</u>	<u>(1,180,230)</u>	<u>110,521</u>	<u>(9)</u>	<u>(2,089,290)</u>

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HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 10/31/23

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 10/31/23	BUDGET 10/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 10/31/22	ACTUAL 10/31/23	BUDGET 10/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 10/31/22
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	975	5,000	(4,025)	(81)	2,684	74,634	20,000	54,634	273	141,791
PROPERTY TAX REVENUE	174,854	174,854	0	0	166,528	699,416	699,416	0	0	666,112
GO BOND PROP TAXES	170,388	170,388	0	0	164,964	681,551	681,552	(1)	0	659,857
GO BOND INT REVENUE\EXPENSE	(68,721)	(68,721)	0	0	(72,048)	(274,884)	(274,884)	0	0	(288,190)
OTHER NON-OPER REVENUE	17,735	13,843	3,892	28	10,584	76,111	55,372	20,739	38	49,205
OTHER NON-OPER EXPENSE	(25,412)	(25,412)	0	0	(30,386)	(101,871)	(101,648)	(223)	0	(119,506)
INVESTMENT INCOME	1,223	0	1,223		448	(4,209)	0	(4,209)		695
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	271,042	269,952	1,090	0	242,775	1,150,748	1,079,808	70,940	7	1,109,963
NET SURPLUS (LOSS)	(2,030)	(443,442)	441,412	(100)	(483,870)	81,039	(100,422)	181,461	(181)	(979,327)

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HAZEL HAWKINS SKILLED NURSING FACILITIES
 HOLLISTER, CA
 FOR PERIOD 10/31/23

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 10/31/23	BUDGET 10/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 10/31/22	ACTUAL 10/31/23	BUDGET 10/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 10/31/22
GROSS SNF PATIENT REVENUE:										
ROUTINE SNF REVENUE	2,252,580	2,092,500	160,080	8	2,095,600	8,999,158	8,302,500	696,658	8	8,155,100
ANCILLARY SNF REVENUE	324,348	371,693	(47,345)	(13)	368,320	1,331,418	1,495,276	(163,858)	(11)	1,628,562
TOTAL GROSS SNF PATIENT REVENUE	<u>2,576,928</u>	<u>2,464,193</u>	<u>112,735</u>	<u>5</u>	<u>2,463,920</u>	<u>10,330,576</u>	<u>9,797,776</u>	<u>532,800</u>	<u>5</u>	<u>9,783,662</u>
DEDUCTIONS FROM REVENUE SNF:										
MEDICARE CONTRACTUAL ALLOWANCES	256,528	277,824	(21,296)	(8)	306,093	1,065,357	1,118,732	(53,375)	(5)	1,087,248
MEDI-CAL CONTRACTUAL ALLOWANCES	(426,177)	108,308	(534,485)	(494)	151,136	199,212	429,740	(230,528)	(54)	619,038
BAD DEBT EXPENSE	22,491	10,000	12,491	125	1,775	82,293	40,000	42,293	106	8,096
CHARITY CARE	0	0	0	0	0	0	0	0	0	0
OTHER CONTRACTUALS AND ADJUSTMENTS	60,343	66,960	(6,617)	(10)	90,273	138,679	265,680	(127,001)	(48)	300,344
TOTAL SNF DEDUCTIONS FROM REVENUE	<u>(86,815)</u>	<u>463,092</u>	<u>(549,907)</u>	<u>(119)</u>	<u>549,277</u>	<u>1,485,541</u>	<u>1,854,152</u>	<u>(368,611)</u>	<u>(20)</u>	<u>2,014,726</u>
NET SNF PATIENT REVENUE	<u>2,663,744</u>	<u>2,001,101</u>	<u>662,643</u>	<u>33</u>	<u>1,914,643</u>	<u>8,845,035</u>	<u>7,943,624</u>	<u>901,411</u>	<u>11</u>	<u>7,768,936</u>
OTHER OPERATING REVENUE	0	0	0	0	0	0	0	0	0	0
NET SNF OPERATING REVENUE	<u>2,663,744</u>	<u>2,001,101</u>	<u>662,643</u>	<u>33</u>	<u>1,914,643</u>	<u>8,845,035</u>	<u>7,943,624</u>	<u>901,411</u>	<u>11</u>	<u>7,768,936</u>
OPERATING EXPENSES:										
SALARIES & WAGES	1,000,874	939,788	61,086	7	943,971	3,887,181	3,730,665	156,516	4	3,754,462
REGISTRY	6,716	33,000	(26,285)	(80)	14,438	104,459	132,000	(27,541)	(21)	123,600
EMPLOYEE BENEFITS	512,685	529,432	(16,747)	(3)	497,374	1,890,578	2,102,324	(211,746)	(10)	2,157,680
PROFESSIONAL FEES	2,210	2,336	(126)	(5)	2,210	8,840	9,346	(506)	(5)	9,350
SUPPLIES	110,945	89,358	21,587	24	81,776	394,963	356,380	38,583	11	385,081
PURCHASED SERVICES	86,726	107,463	(20,737)	(19)	113,087	344,750	426,383	(81,633)	(19)	442,696
RENTAL	1,012	1,044	(32)	(3)	423	4,028	4,157	(129)	(3)	3,456
DEPRECIATION	39,521	39,453	68	0	38,627	157,698	157,820	(122)	0	158,613
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHER	38,815	58,199	(19,384)	(33)	49,455	183,981	230,938	(46,957)	(20)	254,878
TOTAL EXPENSES	<u>1,799,504</u>	<u>1,800,073</u>	<u>(569)</u>	<u>0</u>	<u>1,741,361</u>	<u>6,976,477</u>	<u>7,150,013</u>	<u>(173,536)</u>	<u>(2)</u>	<u>7,289,817</u>
NET OPERATING INCOME (LOSS)	<u>864,240</u>	<u>201,028</u>	<u>663,212</u>	<u>330</u>	<u>173,282</u>	<u>1,868,558</u>	<u>793,611</u>	<u>1,074,947</u>	<u>136</u>	<u>479,119</u>
NON-OPERATING REVENUE/EXPENSE:										
DONATIONS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	30,857	30,855	2	0	29,387	123,428	123,426	2	0	117,548
OTHER NON-OPER EXPENSE	(7,288)	(7,288)	0	0	(8,343)	(29,151)	(29,152)	1	0	(33,371)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	<u>23,569</u>	<u>23,567</u>	<u>2</u>	<u>0</u>	<u>21,044</u>	<u>94,277</u>	<u>94,274</u>	<u>3</u>	<u>0</u>	<u>84,177</u>
NET SURPLUS (LOSS)	<u>887,809</u>	<u>224,595</u>	<u>663,214</u>	<u>295</u>	<u>194,327</u>	<u>1,962,835</u>	<u>887,885</u>	<u>1,074,950</u>	<u>121</u>	<u>563,297</u>

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HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 10/31/23

	CURR MONTH 10/31/23	PRIOR MONTH 09/30/23	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/23
CURRENT ASSETS					
CASH & CASH EQUIVALENT	14,338,443	12,644,124	1,694,319	13	13,649,396
PATIENT ACCOUNTS RECEIVABLE	60,270,138	59,732,608	537,530	1	51,674,982
BAD DEBT ALLOWANCE	(6,895,514)	(6,390,402)	(505,113)	8	(5,227,791)
CONTRACTUAL RESERVES	(36,910,121)	(36,237,252)	(672,869)	2	(30,266,699)
OTHER RECEIVABLES	7,874,754	7,249,461	625,293	9	6,095,092
INVENTORIES	4,044,760	4,047,238	(2,478)	0	4,057,813
PREPAID EXPENSES	2,212,492	2,765,364	(552,873)	(20)	2,042,543
DUE TO/FROM THIRD PARTIES	2,037,861	2,037,861	0	0	2,784,747
TOTAL CURRENT ASSETS	<u>46,972,812</u>	<u>45,849,003</u>	<u>1,123,809</u>	<u>3</u>	<u>44,810,082</u>
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	<u>5,891,305</u>	<u>5,822,024</u>	<u>69,281</u>	<u>1</u>	<u>4,906,264</u>
TOTAL LIMITED USE ASSETS	<u>5,891,305</u>	<u>5,822,024</u>	<u>69,281</u>	<u>1</u>	<u>4,906,264</u>
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	43,685,771	43,715,153	(29,383)	0	43,302,208
CONSTRUCTION IN PROGRESS	956,198	905,142	51,056	6	880,124
GROSS PROPERTY, PLANT, AND EQUIPMENT	148,110,817	148,089,144	21,673	0	147,651,180
ACCUMULATED DEPRECIATION	(91,729,391)	(91,385,628)	(343,763)	0	(90,362,507)
NET PROPERTY, PLANT, AND EQUIPMENT	<u>56,381,426</u>	<u>56,703,515</u>	<u>(322,090)</u>	<u>(1)</u>	<u>57,288,673</u>
OTHER ASSETS					
UNAMORTIZED LOAN COSTS	446,715	452,786	(6,071)	(1)	470,999
PENSION DEFERRED OUTFLOWS NET	3,797,637	3,797,637	0	0	3,797,637
TOTAL OTHER ASSETS	<u>4,244,352</u>	<u>4,250,423</u>	<u>(6,071)</u>	<u>0</u>	<u>4,268,636</u>
TOTAL UNRESTRICTED ASSETS	<u>113,489,895</u>	<u>112,624,965</u>	<u>864,930</u>	<u>1</u>	<u>111,273,655</u>
RESTRICTED ASSETS	<u>53,458</u>	<u>53,099</u>	<u>359</u>	<u>1</u>	<u>125,193</u>
TOTAL ASSETS	113,543,352	112,678,063	865,289	1	111,398,848

HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 10/31/23

	CURR MONTH 10/31/23	PRIOR MONTH 09/30/23	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/23
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	5,895,674	5,634,182	(261,492)	5	4,938,613
ACCRUED PAYROLL	3,314,424	2,684,122	(630,303)	24	3,345,253
ACCRUED PAYROLL TAXES	1,311,084	2,009,490	698,406	(35)	1,345,303
ACCRUED BENEFITS	5,856,856	5,789,705	(67,152)	1	6,051,228
ACCRUED PENSION (CURRENT)	4,960,599	4,963,931	3,332	0	5,061,807
OTHER ACCRUED EXPENSES	91,808	103,245	11,437	(11)	84,460
PATIENT REFUNDS PAYABLE	3,313	1,136	(2,177)	192	961
DUE TO\FROM THIRD PARTIES	3,478,465	3,612,135	133,670	(4)	4,400,056
OTHER CURRENT LIABILITIES	4,131,864	4,236,793	104,929	(3)	3,493,074
TOTAL CURRENT LIABILITIES	<u>29,044,088</u>	<u>29,034,738</u>	<u>(9,350)</u>	<u>0</u>	<u>28,720,755</u>
LONG-TERM DEBT					
LEASES PAYABLE	6,509,019	6,515,697	6,679	0	6,542,301
BONDS PAYABLE	34,670,281	34,698,801	28,520	0	34,784,361
TOTAL LONG TERM DEBT	<u>41,179,300</u>	<u>41,214,499</u>	<u>35,199</u>	<u>0</u>	<u>41,326,662</u>
OTHER LONG-TERM LIABILITIES					
DEFERRED REVENUE	0	0	0	0	0
LONG-TERM PENSION LIABILITY	14,706,676	14,706,676	0	0	14,706,676
TOTAL OTHER LONG-TERM LIABILITIES	<u>14,706,676</u>	<u>14,706,676</u>	<u>0</u>	<u>0</u>	<u>14,706,676</u>
TOTAL LIABILITIES	<u>84,930,063</u>	<u>84,955,912</u>	<u>25,849</u>	<u>0</u>	<u>84,754,093</u>
NET ASSETS:					
UNRESTRICTED FUND BALANCE	26,479,561	26,479,561	0	0	26,479,561
RESTRICTED FUND BALANCE	98,458	93,099	(5,359)	6	165,193
NET REVENUE/(EXPENSES)	2,035,270	1,149,491	(885,779)	77	0
TOTAL NET ASSETS	<u>28,613,289</u>	<u>27,722,151</u>	<u>(891,138)</u>	<u>3</u>	<u>26,644,755</u>
TOTAL LIABILITIES AND NET ASSETS	<u>113,543,352</u>	<u>112,678,063</u>	<u>(865,289)</u>	<u>1</u>	<u>111,398,848</u>

Description	Target	MTD Actual	YTD Actual	YTD Target
Average Daily Census - Acute	18.83	15.45	13.60	18.62
Average Daily Census - SNF	89.99	96.61	95.28	90.00
Acute Length of Stay	3.06	3.01	2.98	2.75
ER Visits:				
Inpatient	180	116	414	645
Outpatient	1,932	2,037	7,861	7,709
Total	2,112	2,153	8,275	8,354
Days in Accounts Receivable	45.0	50.7	50.7	45.0
Productive Full-Time Equivalents	500.90	492.24	476.51	500.90
Net Patient Revenue	11,126,797	11,823,901	44,531,799	46,208,147
Payment-to-Charge Ratio	31.8%	31.7%	30.8%	31.5%
Medicare Traditional Payor Mix	30.38%	27.64%	26.82%	30.32%
Commercial Payor Mix	21.30%	22.85%	23.13%	21.58%
Bad Debt % of Gross Revenue	1.12%	2.03%	1.85%	1.12%
EBIDA	32,959	1,145,992	3,068,178	1,794,695
EBIDA %	0.28%	9.34%	6.56%	3.70%
Operating Margin	-4.38%	4.82%	1.69%	-0.80%
Salaries, Wages, Registry & Benefits %: by Net Operating Revenue	63.30%	58.40%	59.89%	60.88%
by Total Operating Expense	60.64%	61.36%	60.92%	60.40%
Bond Covenants:				
Debt Service Ratio	1.25	4.80	4.80	1.25
Current Ratio	1.50	1.62	1.62	1.50
Days Cash on hand	30.00	39.40	39.40	30.00
Met or Exceeded Target				
Within 10% of Target				
Not Within 10%				

Statement of Cash Flows
Hazel Hawkins Memorial Hospital
Hollister, CA
Three months ending October 31, 2023

	CASH FLOW		COMMENTS
	Current Month 10/31/2023	Current Year-To-Date 10/31/2023	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$885,779	\$2,035,270	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	343,763	1,366,888	
(Increase)/Decrease in Net Patient Accounts Receivable	640,451	(284,012)	
(Increase)/Decrease in Other Receivables	(625,293)	(1,779,663)	
(Increase)/Decrease in Inventories	2,478	13,053	
(Increase)/Decrease in Pre-Paid Expenses	552,873	(169,949)	
(Increase)/Decrease in Due From Third Parties	0	746,886	
Increase/(Decrease) in Accounts Payable	261,494	957,066	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	(4,285)	(360,632)	
Increase/(Decrease) in Accrued Expenses	(11,437)	7,347	
Increase/(Decrease) in Patient Refunds Payable	2,177	2,351	
Increase/(Decrease) in Third Party Advances/Liabilities	(133,670)	(921,591)	
Increase/(Decrease) in Other Current Liabilities	(104,929)	638,791	Semi-Annual Interest - 2021 Insured Revenue Bonds
Net Cash Provided by Operating Activities:	923,622	216,535	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(21,673)	(459,638)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	(69,281)	(985,041)	Bond Principal & Int Payment - 2014 & 2021 Bonds
(Increase)/Decrease in Other Assets	6,071	24,284	Amortization
Net Cash Used by Investing Activities	(84,883)	(1,420,395)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Bond/Mortgage Debt	(6,679)	(33,283)	Refinancing of 2013 Bonds with 2021 Bonds
Increase/(Decrease) in Capital Lease Debt	(28,520)	(114,080)	
Increase/(Decrease) in Other Long Term Liabilities	0	0	
Net Cash Used for Financing Activities	(35,199)	(147,363)	
(INCREASE)/DECREASE IN RESTRICTED ASSETS	5,000	5,000	
Net Increase/(Decrease) in Cash	1,694,319	689,047	
Cash, Beginning of Period	12,644,124	13,649,396	
Cash, End of Period	\$14,338,443	\$14,338,443	\$0

Cost per day to run the District

\$363,949

Operational Days Cash on Hand

39.40

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

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total		
Budgeted Gross Revenue	38,236,593	38,468,812	35,049,053	34,999,737	35,870,267	36,385,781	34,851,365	32,060,010	36,752,432	35,946,200	39,112,090	38,876,681	436,609,021		
Budgeted Bad Debt Expense	429,889	432,423	393,214	391,626	402,993	407,930	389,870	358,975	412,378	403,932	440,170	438,441	4,901,841		
BD Exp as a percent of Gross Revenue	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.13%	1.13%	1.12%		
Actual Gross Revenue	34,381,757	36,309,479	36,251,934	37,061,367	-	-	-	-	-	-	-	-	144,004,537		
Actual Bad Debt Expense	712,509	663,649	543,514	751,015	-	-	-	-	-	-	-	-	2,670,687		
BD Exp as a percent of Gross Revenue	2.07%	1.83%	1.50%	2.03%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1.85%		
Budgeted YTD BD Exp	1,647,152	1.12%													
Actual YTD BD Exp	2,670,687	1.85%													
													YTD Charity Exp Budget	153,903	
													YTD Charity Exp Actual	221,165	
Amount under (over) budget	(1,023,535)	-0.73%												Amt under (over) budget	(67,262)
Prior Year percent of Gross Revenue	1.15%													Charity Exp % of Gross Rev	0.15%
Percent of Decrease (Inc) from Prior Year	-61.3%														

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RESOLUTION NO. 2023-32

OF THE BOARD OF DIRECTORS OF
SAN BENITO HEALTH CARE DISTRICT

AUTHORIZING THE DISTRICT TO ENTER INTO AGREEMENTS WITH
CENTRAL CALIFORNIA ALLIANCE FOR HEALTH FOR THE PROVISION
OF HEALTH CARE SERVICES AND BENEFITS

RECITALS

WHEREAS, the San Benito County Health Care District (“District”) is a local health care district organized under the terms of the Local Health Care District Law (Health and Safety Code of the State of California, Division 23, Sections 32000-32492), pursuant to Section 32104 of the California Health and Safety Code;

WHEREAS, the District operates certain health care facilities in the County of San Benito, California (“County”), including Hazel Hawkins Memorial Hospital (“Hazel Hawkins”), a full service, 25-bed not-for-profit hospital, five rural health clinics, two community health clinics, two skilled nursing facilities, and four satellite lab/draw stations;

WHEREAS, Santa Cruz-Monterey-Merced-San Benito-Mariposa Managed Medical Care Commission, a California public entity, doing business as Central California Alliance for Health (“CCAH”) has entered into or will enter into a contract or contracts with the State of California Department of Health Care Services (“DHCS”) or other entities under which CCAH has agreed to arrange for the provision of health care services and benefits to eligible Santa Cruz, Monterey, Merced, San Benito and Mariposa County Medi-Cal beneficiaries or other covered individuals;

WHEREAS, the District desires to participate in CCAH’s network of contracting providers by providing covered services to Members, including Allied Health Care Professional Services, Primary Care Physician Services, Allied Health Care Facility Services, Hospital Services, and Referral Services;

WHEREAS, the District desires to execute the associated agreements such that such services are effective January 1, 2024; and

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD AS FOLLOWS:

SECTION 1. The foregoing recitals are true, correct and a substantive part of this Resolution.

SECTION 2. The District Interim Chief Executive Officer or designee is authorized to enter into agreements and take further actions as may be necessary to give effect to this resolution, including execution of the following:

- A. CCAH Allied Health Care Professional Services Agreement;
- B. CCAH Primary Care Physician Services Agreement;
- C. CCAH Allied Health Care Facility Services Agreement;
- D. CCAH Primary Hospital Services Agreement; and
- E. CCAH Referral Physician Services Agreement.

SECTION 3. Approval of the agreements is not subject to California Environmental Quality Act (CEQA) as it is not a “project” pursuant to Section 15378 of the CEQA Guidelines.

SECTION 3. SECTION 4. This Resolution shall take effect immediately upon its adoption.

Dated: _____, 2023

AYES: ____

NOS: ____

ABSENTIONS: ____

ABSENT: ____

Jeri Hernandez
President of the Board of Directors

ATTEST:

Rick Shelton
Treasurer of the Board of Directors