



**FINANCE COMMITTEE
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, MAY 18, 2023 - 4:30 P.M.
SUPPORT SERVICES BUILDING, 2ND FLOOR – GREAT ROOM**

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

1. Call to Order
2. Approve Minutes of the Finance Committee Meeting of April 20, 2023
 - Motion/Second
3. Review Financial Updates
 - Financial Statements – April 2023
 - Finance Dashboard – April 2023
4. Consider Recommendation for Board Approval of Zainab Malik, MD Professional Services Agreement
 - Report
 - Committee Questions
 - Motion/Second
5. Consider Recommendation for Board Approval of Vivek Jain, MD Professional Services Agreement
 - Report
 - Committee Questions
 - Motion/Second
6. Public Comment

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

7. Adjournment

The next Finance Committee meeting is scheduled for **Thursday, June 15, 2023 at 4:30 p.m.**

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



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



Hazel Hawkins
MEMORIAL HOSPITAL

May 18, 2023

CFO Financial Summary for the Finance Committee:

For the month ending April 30, 2023, the District's Net Surplus **(Loss)** is \$974,382 compared to a budgeted Surplus **(Loss)** of \$278,501. The District is over budget for the month by \$695,881.

YTD as of April 30, 2023, the District's Net Surplus **(Loss)** is \$1,964,994 compared to a budgeted Surplus **(Loss)** of \$6,006,924. The District is under budget YTD by \$4,041,930.

Acute discharges were 147 for the month, under budget by 45 discharges or 23%. The ADC was 16.53 compared to a budget of 18.80. The ALOS was 3.37. The acute I/P gross revenue was under budget by **\$844,817** while O/P services gross revenue was **\$4.07 million** or 20% over budget. ER I/P visits were 110 and ER O/P visits were over budget by 338 visits or 20%. The RHCs & Specialty Clinics treated 4,020 (includes 690 visits at the Diabetes Clinic) and 2,571 visits respectively.

Other Operating revenue exceeded budget by **\$1,915,817** due to the District recognizing a net **\$895,000** in additional funding from the QIP PY4 and \$407,030 in funding from the American Rescue Plan ARP. In addition, the District received **\$565,500** for the State's Worker Retention Payment (WRP) program. The funds were distributed to the eligible employees on April 28, 2023.

Operating Expenses were over budget by **\$702,641** due mainly to variances in: Salary and Wages being under budget by \$50,890, Registry under budget by \$222,894 with the savings being offset by Employee Benefits over budget by \$658,152 which included the WRP and professional fees by \$192,017.

Non-operating Revenue exceeded budget by \$41,564 due to larger than budgeted donations.

The SNFs ADC was **90.40** for the month. The Net Surplus **(Loss)** is **\$1,293,506** compared to a budget of \$66,723. The DP/SNF filed a **\$1,030,000** request for supplemental funding for FYE June 30, 2022. Effective August 1, 2022, the SNF received a Medi-Cal per diem increase of **\$79.44** per day through June 30, 2023. YTD, the SNF is exceeding its budget by \$3.72 million. However, the 10% COVID premium of **\$56.96** will expire on June 30, 2023. The ADC is budgeted to be 88 residents each month for the year.

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 04/30/23

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 04/30/23	BUDGET 04/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/22	ACTUAL 04/30/23	BUDGET 04/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/22
GROSS PATIENT REVENUE:										
ACUTE ROUTINE REVENUE	3,763,126	3,834,667	(71,542)	(2)	3,584,501	41,000,598	44,218,001	(3,217,403)	(7)	41,289,334
SNF ROUTINE REVENUE	2,050,600	1,980,000	70,600	4	1,977,000	20,423,800	20,063,994	359,806	2	17,111,760
ANCILLARY INPATIENT REVENUE	4,338,499	4,900,670	(562,171)	(12)	4,747,680	48,478,942	56,167,716	(7,688,774)	(14)	52,591,656
HOSPITALIST\PEDS I\P REVENUE	151,465	194,116	(42,651)	(22)	192,680	1,757,864	2,238,044	(480,180)	(22)	2,089,813
TOTAL GROSS INPATIENT REVENUE	10,303,689	10,909,453	(605,764)	(6)	10,501,861	111,661,203	122,687,755	(11,026,552)	(9)	113,082,563
ANCILLARY OUTPATIENT REVENUE	24,064,499	19,988,953	4,075,546	20	19,341,786	231,032,180	214,250,148	16,782,032	8	200,046,881
HOSPITALIST\PEDS O\P REVENUE	50,430	56,371	(5,941)	(11)	60,191	567,319	604,238	(36,919)	(6)	564,101
TOTAL GROSS OUTPATIENT REVENUE	24,114,929	20,045,324	4,069,605	20	19,401,976	231,599,498	214,854,386	16,745,112	8	200,610,983
TOTAL GROSS PATIENT REVENUE	34,418,618	30,954,777	3,463,841	11	29,903,837	343,260,702	337,542,141	5,718,561	2	313,693,546
DEDUCTIONS FROM REVENUE:										
MEDICARE CONTRACTUAL ALLOWANCES	9,613,571	7,522,171	2,091,400	28	7,588,051	99,434,169	82,360,388	17,073,781	21	77,968,268
MEDI-CAL CONTRACTUAL ALLOWANCES	9,762,165	7,387,379	2,374,786	32	6,759,503	85,961,384	80,767,578	5,193,806	6	76,741,423
BAD DEBT EXPENSE	467,979	296,590	171,389	58	275,585	3,820,722	3,250,729	569,993	18	3,115,270
CHARITY CARE	74,736	67,667	7,069	10	87,523	374,136	741,665	(367,529)	(50)	752,635
OTHER CONTRACTUALS AND ADJUSTMENTS	2,851,855	3,661,822	(809,967)	(22)	3,509,839	36,443,331	39,986,432	(3,543,101)	(9)	37,911,413
HOSPITALIST\PEDS CONTRACTUAL ALLOW	(38,500)	8,107	(46,607)	(575)	(18,148)	34,224	88,876	(54,653)	(62)	82,981
TOTAL DEDUCTIONS FROM REVENUE	22,731,807	18,943,736	3,788,071	20	18,202,353	226,067,965	207,195,668	18,872,297	9	196,571,990
NET PATIENT REVENUE	11,686,811	12,011,041	(324,230)	(3)	11,701,484	117,192,737	130,346,473	(13,153,736)	(10)	117,121,556
OTHER OPERATING REVENUE	2,504,781	588,964	1,915,817	325	568,602	12,868,357	5,784,640	7,083,717	123	6,461,752
NET OPERATING REVENUE	14,191,592	12,600,005	1,591,587	13	12,270,086	130,061,094	136,131,113	(6,070,019)	(5)	123,583,308
OPERATING EXPENSES:										
SALARIES & WAGES	4,791,841	4,893,112	(101,271)	(2)	4,599,449	47,719,486	52,857,483	(5,137,997)	(10)	47,010,398
REGISTRY	112,452	307,500	(195,048)	(63)	573,640	3,949,202	3,090,000	859,202	28	4,360,392
EMPLOYEE BENEFITS	3,549,658	2,610,045	939,613	36	2,725,422	28,973,091	28,140,317	832,774	3	25,446,718
PROFESSIONAL FEES	1,790,408	1,598,425	191,983	12	1,470,118	16,697,136	16,197,375	499,761	3	14,379,399
SUPPLIES	1,158,024	1,226,055	(68,032)	(6)	1,107,854	12,188,527	13,170,771	(982,244)	(8)	11,640,194
PURCHASED SERVICES	1,210,947	1,073,837	137,110	13	1,080,354	12,315,847	10,881,541	1,434,306	13	10,124,922
RENTAL	164,239	150,161	14,078	9	145,163	1,530,701	1,501,721	28,980	2	1,471,093
DEPRECIATION & AMORT	332,008	330,001	2,007	1	311,688	3,264,843	3,282,005	(17,162)	(1)	3,116,729
INTEREST	26,526	3,750	22,776	607	1,062	243,198	37,500	205,698	549	27,197
OTHER	390,658	393,588	(2,930)	(1)	354,259	4,359,263	3,711,736	647,527	17	3,452,827
TOTAL EXPENSES	13,526,760	12,586,474	940,286	8	12,369,008	131,241,294	132,870,449	(1,629,155)	(1)	121,029,869
NET OPERATING INCOME (LOSS)	664,832	13,531	651,301	4,813	(98,922)	(1,180,200)	3,260,664	(4,440,864)	(136)	2,553,439

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HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 04/30/23

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 04/30/23	BUDGET 04/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/22	ACTUAL 04/30/23	BUDGET 04/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/22
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	35,777	5,000	30,777	616	0	517,855	155,000	362,855	234	146,980
PROPERTY TAX REVENUE	195,915	194,511	1,404	1	185,249	1,959,150	1,945,110	14,040	1	1,852,490
GO BOND PROP TAXES	164,964	164,964	0	0	160,091	1,649,642	1,649,640	2	0	1,600,905
GO BOND INT REVENUE\EXPENSE	(72,048)	(72,048)	1	0	(75,091)	(720,475)	(720,480)	5	0	(750,905)
OTHER NON-OPER REVENUE	11,709	7,866	3,843	49	7,872	136,345	78,660	57,685	73	96,550
OTHER NON-OPER EXPENSE	(28,137)	(35,323)	7,186	(20)	(38,344)	(400,702)	(361,670)	(39,032)	11	(428,072)
INVESTMENT INCOME	1,370	0	1,370		0	3,379	0	3,379		(11,313)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	309,550	264,970	44,580	17	239,777	3,145,194	2,746,260	398,934	15	2,506,635
NET SURPLUS (LOSS)	974,382	278,501	695,881	250	140,855	1,964,994	6,006,924	(4,041,930)	(67)	5,060,074
EBIDA	\$ 1,241,610	\$ 550,909	\$ 690,701	125.37%	\$ 405,887	\$ 4,701,372	\$ 8,721,439	\$ (4,020,067)	(46.09)%	\$ 7,754,875
EBIDA MARGIN	8.75%	4.37%	4.38%	100.09%	3.31%	3.61%	6.41%	(2.79)%	(43.57)%	6.28%
OPERATING MARGIN	4.68%	0.11%	4.58%	4,261.82%	(0.81)%	(0.91)%	2.40%	(3.30)%	(137.88)%	2.07%
NET SURPLUS (LOSS) MARGIN	6.87%	2.21%	4.66%	210.63%	1.15%	1.51%	4.41%	(2.90)%	(65.76)%	4.09%

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HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 04/30/23

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 04/30/23	BUDGET 04/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/22	ACTUAL 04/30/23	BUDGET 04/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/22
GROSS PATIENT REVENUE:										
ROUTINE REVENUE	3,763,126	3,834,667	(71,542)	(2)	3,584,501	41,000,598	44,218,001	(3,217,403)	(7)	41,289,334
ANCILLARY INPATIENT REVENUE	3,937,404	4,668,029	(730,625)	(16)	4,469,834	44,521,823	53,810,270	(9,288,447)	(17)	50,240,192
HOSPITALIST I\ P REVENUE	151,465	194,116	(42,651)	(22)	192,680	1,757,864	2,238,044	(480,180)	(22)	2,089,813
TOTAL GROSS INPATIENT REVENUE	7,851,995	8,696,812	(844,817)	(10)	8,247,016	87,280,284	100,266,315	(12,986,031)	(13)	93,619,339
ANCILLARY OUTPATIENT REVENUE	24,064,499	19,988,953	4,075,546	20	19,341,786	231,032,180	214,250,148	16,782,032	8	200,046,881
HOSPITALIST O\ P REVENUE	50,430	56,371	(5,941)	(11)	60,191	567,319	604,238	(36,919)	(6)	564,101
TOTAL GROSS OUTPATIENT REVENUE	24,114,929	20,045,324	4,069,605	20	19,401,976	231,599,498	214,854,386	16,745,112	8	200,610,983
TOTAL GROSS ACUTE PATIENT REVENUE	31,966,924	28,742,136	3,224,788	11	27,648,992	318,879,783	315,120,701	3,759,082	1	294,230,322
DEDUCTIONS FROM REVENUE ACUTE:										
MEDICARE CONTRACTUAL ALLOWANCES	9,472,851	7,356,239	2,116,612	29	7,363,452	96,984,912	80,678,938	16,305,974	20	76,450,777
MEDI-CAL CONTRACTUAL ALLOWANCES	10,894,898	7,233,855	3,661,043	51	6,606,087	86,728,576	79,211,864	7,516,712	10	76,010,138
BAD DEBT EXPENSE	394,142	296,590	97,552	33	309,529	3,723,367	3,250,729	472,638	15	3,035,228
CHARITY CARE	74,736	67,667	7,069	10	87,523	366,986	741,665	(374,679)	(51)	644,889
OTHER CONTRACTUALS AND ADJUSTMENTS	2,795,414	3,617,570	(822,156)	(23)	3,447,662	35,734,653	39,538,006	(3,803,353)	(10)	37,558,382
HOSPITALIST\ PEDS CONTRACTUAL ALLOW	(38,500)	8,107	(46,607)	(575)	(18,148)	34,224	88,876	(54,653)	(62)	82,981
TOTAL ACUTE DEDUCTIONS FROM REVENUE	23,593,540	18,580,028	5,013,512	27	17,796,106	223,572,717	203,510,078	20,062,639	10	193,782,393
NET ACUTE PATIENT REVENUE	8,373,383	10,162,108	(1,788,725)	(18)	9,852,886	95,307,066	111,610,623	(16,303,557)	(15)	100,447,928
OTHER OPERATING REVENUE	2,504,781	588,964	1,915,817	325	568,602	12,868,357	5,784,640	7,083,717	123	6,461,752
NET ACUTE OPERATING REVENUE	10,878,164	10,751,072	127,092	1	10,421,488	108,175,423	117,395,263	(9,219,840)	(8)	106,909,680
OPERATING EXPENSES:										
SALARIES & WAGES	3,891,640	3,942,530	(50,890)	(1)	3,680,158	38,635,871	43,224,892	(4,589,021)	(11)	38,219,867
REGISTRY	77,106	300,000	(222,894)	(74)	564,826	3,695,756	3,000,000	695,756	23	4,256,291
EMPLOYEE BENEFITS	2,695,568	2,037,416	658,152	32	2,177,584	22,758,655	22,337,605	421,050	2	20,022,533
PROFESSIONAL FEES	1,788,198	1,596,181	192,017	12	1,467,987	16,674,526	16,174,641	499,885	3	14,358,670
SUPPLIES	1,084,592	1,105,184	(20,592)	(2)	1,028,854	11,317,150	12,006,647	(689,497)	(6)	10,770,129
PURCHASED SERVICES	1,106,048	1,010,959	95,089	9	1,022,109	11,335,139	10,244,395	1,090,744	11	9,472,262
RENTAL	163,527	149,373	14,154	10	144,184	1,521,183	1,493,730	27,453	2	1,458,864
DEPRECIATION & AMORT	292,851	284,998	7,853	3	271,140	2,870,262	2,849,980	20,282	1	2,717,316
INTEREST	26,526	3,750	22,776	607	1,062	243,198	37,500	205,698	549	27,197
OTHER	353,708	346,732	6,976	2	314,087	3,806,416	3,236,981	569,435	18	3,054,661
TOTAL EXPENSES	11,479,764	10,777,123	702,641	7	10,671,990	112,858,156	114,606,371	(1,748,215)	(2)	104,357,791
NET OPERATING INCOME (LOSS)	(601,600)	(26,051)	(575,549)	2,209	(250,502)	(4,682,732)	2,788,892	(7,471,624)	(268)	2,551,889

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HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 04/30/23

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 04/30/23	BUDGET 04/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/22	ACTUAL 04/30/23	BUDGET 04/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/22
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	35,777	5,000	30,777	616	0	517,855	155,000	362,855	234	146,980
PROPERTY TAX REVENUE	166,528	167,085	(557)	0	159,183	1,665,280	1,670,850	(5,570)	0	1,591,830
GO BOND PROP TAXES	164,964	164,964	0	0	160,091	1,649,642	1,649,640	2	0	1,600,905
GO BOND INT REVENUE\EXPENSE	(72,048)	(72,048)	1	0	(75,091)	(720,475)	(720,480)	5	0	(750,905)
OTHER NON-OPER REVENUE	11,709	7,866	3,843	49	7,872	136,345	78,660	57,685	73	96,550
OTHER NON-OPER EXPENSE	(21,904)	(28,035)	6,131	(22)	(30,002)	(319,385)	(280,350)	(39,035)	14	(334,607)
INVESTMENT INCOME	1,370	0	1,370	0	0	3,379	0	3,379	0	(11,313)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	286,396	244,832	41,564	17	222,053	2,932,640	2,553,320	379,320	15	2,339,441
NET SURPLUS (LOSS)	(315,205)	218,781	(533,986)	(244)	(28,449)	(1,750,092)	5,342,212	(7,092,304)	(133)	4,891,330
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HAZEL HAWKINS SKILLED NURSING FACILITIES
 HOLLISTER, CA
 FOR PERIOD 04/30/23

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 04/30/23	BUDGET 04/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/22	ACTUAL 04/30/23	BUDGET 04/30/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/22
GROSS SNF PATIENT REVENUE:										
ROUTINE SNF REVENUE	2,050,600	1,980,000	70,600	4	1,977,000	20,423,800	20,063,994	359,806	2	17,111,760
ANCILLARY SNF REVENUE	401,094	232,641	168,453	72	277,846	3,957,119	2,357,446	1,599,673	68	2,351,464
TOTAL GROSS SNF PATIENT REVENUE	2,451,694	2,212,641	239,053	11	2,254,846	24,380,919	22,421,440	1,959,479	9	19,463,224
DEDUCTIONS FROM REVENUE SNF:										
MEDICARE CONTRACTUAL ALLOWANCES	140,721	165,932	(25,212)	(15)	224,598	2,449,257	1,681,450	767,807	46	1,517,491
MEDI-CAL CONTRACTUAL ALLOWANCES	(1,132,733)	153,524	(1,286,257)	(838)	153,417	(767,192)	1,555,714	(2,322,906)	(149)	731,286
BAD DEBT EXPENSE	73,837	0	73,837		(33,945)	97,355	0	97,355		80,043
CHARITY CARE	0	0	0	0	0	7,150	0	7,150		107,746
OTHER CONTRACTUALS AND ADJUSTMENTS	56,441	44,252	12,189	28	62,177	708,678	448,426	260,252	58	353,031
TOTAL SNF DEDUCTIONS FROM REVENUE	(861,734)	363,708	(1,225,442)	(337)	406,248	2,495,248	3,685,590	(1,190,342)	(32)	2,789,596
NET SNF PATIENT REVENUE	3,313,428	1,848,933	1,464,495	79	1,848,598	21,885,671	18,735,850	3,149,821	17	16,673,628
OTHER OPERATING REVENUE	0	0	0	0	0	0	0	0	0	0
NET SNF OPERATING REVENUE	3,313,428	1,848,933	1,464,495	79	1,848,598	21,885,671	18,735,850	3,149,821	17	16,673,628
OPERATING EXPENSES:										
SALARIES & WAGES	900,201	950,582	(50,381)	(5)	919,291	9,083,615	9,632,591	(548,976)	(6)	8,790,532
REGISTRY	31,426	7,500	23,926	319	8,814	249,526	90,000	159,526	177	104,101
EMPLOYEE BENEFITS	854,090	572,629	281,461	49	547,838	6,214,436	5,802,712	411,724	7	5,424,186
PROFESSIONAL FEES	2,210	2,244	(34)	(2)	2,130	22,610	22,734	(124)	(1)	20,728
SUPPLIES	73,432	120,871	(47,439)	(39)	79,000	871,377	1,164,124	(292,747)	(25)	870,065
PURCHASED SERVICES	104,899	62,878	42,021	67	58,245	980,708	637,146	343,562	54	652,658
RENTAL	712	787	(75)	(10)	982	9,519	7,981	1,538	19	12,217
DEPRECIATION	39,156	45,003	(5,847)	(13)	40,548	394,581	432,025	(37,444)	(9)	399,412
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHER	36,950	46,856	(9,906)	(21)	40,173	552,848	474,755	78,093	16	398,165
TOTAL EXPENSES	2,043,076	1,809,350	233,726	13	1,697,021	18,379,218	18,264,068	115,150	1	16,672,064
NET OPERATING INCOME (LOSS)	1,270,352	39,583	1,230,769	3,109	151,577	3,506,453	471,782	3,034,671	643	1,563
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	29,387	27,426	1,961	7	26,066	293,870	274,260	19,610	7	260,660
OTHER NON-OPER EXPENSE	(6,233)	(7,288)	1,055	(15)	(8,343)	(81,317)	(81,320)	3	0	(93,466)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	23,154	20,138	3,016	15	17,723	212,553	192,940	19,613	10	167,195
NET SURPLUS (LOSS)	1,293,506	59,721	1,233,785	2,066	169,301	3,719,006	664,722	3,054,284	460	168,758

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HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 04/30/23

	CURR MONTH 04/30/23	PRIOR MONTH 03/31/23	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/22
CURRENT ASSETS					
CASH & CASH EQUIVALENT	12,107,609	11,256,358	851,251	8	16,535,802
PATIENT ACCOUNTS RECEIVABLE	55,056,384	53,508,905	1,547,479	3	44,152,116
BAD DEBT ALLOWANCE	(4,831,579)	(4,589,085)	(242,494)	5	(3,803,633)
CONTRACTUAL RESERVES	(32,144,109)	(32,166,183)	22,074	0	(26,047,965)
OTHER RECEIVABLES	4,526,950	2,420,924	2,106,026	87	(644,556)
INVENTORIES	2,823,034	2,801,698	21,336	1	3,146,162
PREPAID EXPENSES	1,708,508	1,885,957	(177,449)	(9)	926,497
DUE TO\FROM THIRD PARTIES	3,066,207	2,036,207	1,030,000	51	2,237,806
TOTAL CURRENT ASSETS	42,313,005	37,154,781	5,158,223	14	36,502,230
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	5,681,114	5,428,594	252,519	5	4,293,140
TOTAL LIMITED USE ASSETS	5,681,114	5,428,594	252,519	5	4,293,140
PROPERTY, PLANT, AND EQUIPMENT					
LAND & LAND IMPROVEMENTS	3,370,474	3,370,474	0	0	3,237,474
BLDGS & BLDG IMPROVEMENTS	99,808,351	99,808,351	0	0	97,696,774
EQUIPMENT	43,118,104	43,050,424	67,680	0	41,559,465
CONSTRUCTION IN PROGRESS	3,236,491	3,233,773	2,718	0	4,281,519
CAPITALIZED INTEREST	9,002	6,012	2,990	50	2,728
GROSS PROPERTY, PLANT, AND EQUIPMENT	149,542,421	149,469,034	73,387	0	146,777,961
ACCUMULATED DEPRECIATION	(89,697,040)	(89,350,431)	(346,609)	0	(86,286,188)
NET PROPERTY, PLANT, AND EQUIPMENT	59,845,381	60,118,603	(273,222)	(1)	60,491,773
OTHER ASSETS					
UNAMORTIZED LOAN COSTS	483,445	489,668	(6,223)	(1)	545,675
PENSION DEFERRED OUTFLOWS NET	3,797,637	3,797,637	0	0	3,797,637
TOTAL OTHER ASSETS	4,281,082	4,287,305	(6,223)	0	4,343,312
TOTAL UNRESTRICTED ASSETS	112,120,581	106,989,283	5,131,298	5	105,630,455
RESTRICTED ASSETS	125,088	124,805	283	0	124,099
TOTAL ASSETS	112,245,670	107,114,089	5,131,581	5	105,754,553

HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 04/30/23

	CURR MONTH 04/30/23	PRIOR MONTH 03/31/23	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/22
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	6,116,342	5,649,312	(467,030)	8	8,459,518
ACCRUED PAYROLL	1,498,451	1,165,553	(332,899)	29	2,290,604
ACCRUED PAYROLL TAXES	3,115,584	2,040,875	(1,074,710)	53	1,355,250
ACCRUED BENEFITS	6,213,120	5,548,259	(664,862)	12	5,252,353
ACCRUED PENSION (CURRENT)	4,474,346	4,195,607	(278,739)	7	1,580,407
OTHER ACCRUED EXPENSES	49,587	42,549	(7,038)	17	75,450
PATIENT REFUNDS PAYABLE	1,166	961	(204)	21	8,557
DUE TO\FROM THIRD PARTIES	5,556,724	4,193,947	(1,362,777)	33	4,992,143
OTHER CURRENT LIABILITIES	860,259	856,383	(3,876)	1	680,738
TOTAL CURRENT LIABILITIES	<u>27,885,579</u>	<u>23,693,444</u>	<u>(4,192,134)</u>	<u>18</u>	<u>24,695,019</u>
LONG-TERM DEBT					
LEASES PAYABLE	8,519,959	8,526,572	6,612	0	5,493,386
BONDS PAYABLE	35,956,402	35,984,922	28,520	0	37,661,602
TOTAL LONG TERM DEBT	<u>44,476,361</u>	<u>44,511,493</u>	<u>35,132</u>	<u>0</u>	<u>43,154,988</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	87,068,616	82,911,613	(4,157,002)	5	82,556,683
NET ASSETS:					
UNRESTRICTED FUND BALANCE	23,048,772	23,048,872	100	0	23,048,772
RESTRICTED FUND BALANCE	165,088	164,805	(283)	0	149,099
NET REVENUE/(EXPENSES)	1,963,194	988,798	(974,396)	99	0
TOTAL NET ASSETS	<u>25,177,054</u>	<u>24,202,476</u>	<u>(974,579)</u>	<u>4</u>	<u>23,197,871</u>
TOTAL LIABILITIES AND NET ASSETS	<u>112,245,670</u>	<u>107,114,089</u>	<u>(5,131,581)</u>	<u>5</u>	<u>105,754,553</u>



San Benito Health Care District
 Hazel Hawkins Memorial Hospital
 APRIL 2023

Description	Target	MTD Actual	YTD Actual	YTD Target
Average Daily Census - Acute	18.80	16.53	18.00	21.28
Average Daily Census - SNF	88.00	90.40	89.36	88.00
Acute Length of Stay	2.94	3.37	2.99	3.35
ER Visits:				
Inpatient	164	110.00	1,431	1,505
Outpatient	1,682	2,020	19,364	18,145
Total	1,846	2,130	20,795	19,650
Days in Accounts Receivable	45.0	48.5	48.5	45.0
Productive Full-Time Equivalents	529.11	483.27	507.73	529.11
Net Patient Revenue	12,011,041	11,686,811	117,192,737	130,346,473
Payment-to-Charge Ratio	38.8%	34.0%	34.1%	38.6%
Medicare Traditional Payor Mix	29.94%	29.87%	30.43%	30.09%
Commercial Payor Mix	24.35%	21.78%	21.50%	24.42%
Bad Debt % of Gross Revenue	0.96%	1.40%	1.12%	0.96%
EBIDA	550,909	1,241,610	4,701,372	8,721,439
EBIDA %	4.37%	8.75%	3.61%	6.41%
Operating Margin	0.11%	4.68%	-0.91%	2.40%
Salaries, Wages, Registry & Benefits %: by Net Operating Revenue	61.99%	59.57%	62.00%	61.77%
by Total Operating Expense	62.06%	62.50%	61.45%	63.29%
Bond Covenants:				
Debt Service Ratio	1.25	3.00	3.00	1.25
Current Ratio	1.50	1.52	1.52	1.50
Days Cash on hand	30.00	28.7	28.7	30.00
Met or Exceeded Target				
Within 10% of Target				
Not Within 10%				

Statement of Cash Flows
Hazel Hawkins Memorial Hospital
Hollister, CA
Ten months ending April 30, 2023

	CASH FLOW		COMMENTS
	Current Month 4/30/2023	Current Year-To-Date 4/30/2023	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$974,382	\$1,964,993	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	346,524	3,409,542	
(Increase)/Decrease in Net Patient Accounts Receivable	(1,327,059)	(3,780,178)	
(Increase)/Decrease in Other Receivables	(2,106,026)	(5,171,506)	
(Increase)/Decrease in Inventories	(21,336)	323,128	
(Increase)/Decrease in Pre-Paid Expenses	177,449	(782,011)	
(Increase)/Decrease in Due From Third Parties	(1,030,000)	(828,401)	
Increase/(Decrease) in Accounts Payable	467,030	(2,343,175)	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	2,351,207	4,822,123	
Increase/(Decrease) in Accrued Expenses	7,038	(25,866)	
Increase/(Decrease) in Patient Refunds Payable	204	(7,392)	
Increase/(Decrease) in Third Party Advances/Liabilities	1,362,777	564,582	
Increase/(Decrease) in Other Current Liabilities	3,876	179,523	Semi-Annual Interest - 2021 Insured Revenue Bonds
Net Cash Provided by Operating Activities:	231,684	(3,639,631)	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(73,387)	(2,764,455)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	(252,519)	(1,387,974)	Bond Principal & Int Payment - 2014 & 2021 Bonds
(Increase)/Decrease in Other Assets	6,223	62,230	Amortization
Net Cash Used by Investing Activities	(319,683)	(4,090,199)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Bond/Mortgage Debt	(6,612)	3,026,574	Refinancing of 2013 Bonds with 2021 Bonds
Increase/(Decrease) in Capital Lease Debt	(28,520)	(1,704,930)	
Increase/(Decrease) in Other Long Term Liabilities	0	0	
Net Cash Used for Financing Activities	(35,132)	1,321,644	
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	15,000	
Net Increase/(Decrease) in Cash	851,251	(4,428,193)	
Cash, Beginning of Period	11,256,358	16,535,802	
Cash, End of Period	\$12,107,609	\$12,107,609	\$0

Cost per day to run the District

\$422,200

Operational Days Cash on Hand

28.68

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

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total	
Budgeted Gross Revenue	30,736,294	33,713,261	33,688,496	34,057,045	33,125,250	36,331,595	36,576,317	31,661,878	36,697,195	30,954,767	31,443,265	30,602,610	399,587,973	
Budgeted Bad Debt Expense	293,579	324,237	324,633	327,729	318,825	351,198	353,536	305,275	355,128	296,590	300,820	293,015	3,844,565	
BD Exp as a percent of Gross Revenue	0.96%	0.96%	0.96%	0.96%	0.96%	0.97%	0.97%	0.96%	0.97%	0.96%	0.96%	0.96%	0.96%	
Actual Gross Revenue	32,232,911	36,024,541	33,649,532	33,258,194	33,453,882	35,593,844	34,251,125	31,419,808	36,834,958	34,216,723	-	-	340,935,518	
Actual Bad Debt Expense	233,530	316,245	344,314	535,036	299,055	633,010	128,865	523,765	338,923	467,979	-	-	3,820,722	
BD Exp as a percent of Gross Revenue	0.72%	0.88%	1.02%	1.61%	0.89%	1.78%	0.38%	1.7%	0.9%	1.4%	#DIV/0!	#DIV/0!	1.12%	
Budgeted YTD BD Exp	3,250,729	0.96%												
Actual YTD BD Exp	3,820,722	1.12%												
Amount under (over) budget	(569,993)	-0.16%												
Prior Year percent of Gross Revenue	0.92%													
Percent of Decrease (Inc) from Prior Year	-21.8%													
													YTD Charity Exp Budget	741,665
													YTD Charity Exp Actual	374,136
													Amt under (over) budget	367,529
													Charity Exp % of Gross Rev	0.11%

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Board of Directors Contract Review Worksheet

Agreement for Professional Services with Zainab M. Malik, M.D.

Executive Summary: Dr. Zainab Malik is a double board-certified adult, adolescent & child psychiatrist who has been providing full-time clinic-based psychiatry and behavioral health services at the Mabie First Street clinic since 2019 under a professional services agreement with *Your Medical Group, Inc.* Since that agreement is ending on 6/1/2023, the District wishes to continue offering this vital service to the community without interruption.

Recommended Board Motion: It is recommended the hospital Board approve the Professional Services Agreement with Zainab M. Malik, M.D. at a rate of \$162 per hour.

Services Provided: Full-time (40 hours/week) clinic-based psychiatry and behavioral health services.

Agreement Terms:

Contract Term	Effective Date	FMV %ile	Base Monthly Cost	Estimated Annual Cost	Term clause
1 year	6/1/2023	Median	\$28,080	\$336,960	60 days

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is entered into and effective as of **June 1, 2023** (“Effective Date”), by and between **San Benito Health Care District**, a local health care district organized and operated pursuant to Division 23 of the California Health and Safety Code (“SBHCD”), and **Zainab M. Malik, M.D.** (“Physician”).

RECITALS

- A. SBHCD owns and operates Hazel Hawkins Memorial Hospital, a licensed general acute care facility located at 911 Sunset Drive, Hollister, California (“Hospital”). Hospital provides inpatient and outpatient services to residents of the San Benito Health Care District and surrounding communities which constitute the Hospital’s service area (“Hospital Service Area”).
- B. SBHCD owns and operates rural health clinics as defined in Title 22, California Code of Regulations section 51115.5 to provide services to patients in the Hospital Service Area (“Clinics”). Clinics operate under the name “Hazel Hawkins Community Health Clinics”.
- C. Physician is licensed to practice medicine in the State of California, is a member in good standing of the medical staff of Hospital, and is experienced and qualified to provide psychiatry services (“Services”).
- D. Section 32129 of the California Health and Safety Code provides that a health care district may contract with a physician to render professional health services in order to ensure that adequate health care is available to all residents within its service area.
- E. SBHCD has determined that entering into this Agreement with Physician is in the best interests of the Hospital and the public health of the residents of the Hospital Service Area, and is an appropriate way to assure availability of rural health clinics’ services to patients in the Hospital Service Area.
- F. The parties desire to enter into this Agreement to set forth their respective responsibilities in connection with the Services provided by Physician in the Hospital Service Area during the term of this Agreement.

The parties hereby agree as follows:

1. DUTIES AND OBLIGATIONS OF PHYSICIAN

- 1.1 Professional Services. Physician shall provide all Services reasonably required for coverage, patient care, and the operation of the Clinics and will perform the duties of Clinic Physician as set forth in Exhibits A and B. Physician shall provide such services on a full-time (1.0 FTE) basis and pursuant to a mutually agreed upon schedule. If Physician cannot agree on such a schedule, SBHCD shall determine the schedule.
- 1.2 Qualifications of Physician. Physician shall: (i) be duly licensed to practice medicine by the State of California; (ii) be an active member in good standing of the Hospital’s medical staff; (iii) have levels of competence, experience and skill comparable to those prevailing in the community; and (iv) not be excluded from any governmental healthcare program.
- 1.3 Compliance. In connection with the operation and conduct of the Clinics and rendition of Services, Physician shall, at all times, comply with the applicable terms of this Agreement and with all applicable federal, state and local laws, rules and regulations, including requirements for participation in the Medicare and Medi-Cal programs, and will at all times be aware of and participate in meeting the District Corporate Compliance program goals and objectives.
- 1.4 Credentialing. In order to be efficiently credentialed with payors contracted with SBHCD, Physician shall participate in the Council for Affordable Quality Healthcare (“CAQH”) credentialing program and shall timely comply with requests from CAQH or SBHCD personnel for (i) credentialing information regarding Physician, and (ii) documents necessary for the credentialing of Physician.
- 1.5 Use of Premises. No part of the Clinics premises shall be used at any time by Physician as an office for the general or private practice of medicine.

- 1.6 Medical Records/Chart Notes. Physician shall provide appropriate and necessary documentation for each patient's medical record for all patient encounters in the Clinics.
- 1.7 Coding. Physician shall properly code all professional services rendered to patients for all visits to the Clinics. Physician's coding shall be used for purposes of billing for Services provided by Physician. All such coding shall be subject to review and audit by an independent auditing company mutually agreed upon by the parties.

2. DUTIES AND OBLIGATIONS OF SBHCD

- 2.1 Duties. SBHCD agrees to furnish at its own cost and expense, for the operation of the Clinics, the following:
 - 2.1.1 Space and Equipment. Space and Equipment as may be reasonably required for the operation of the Clinics as approved by Hospital.
 - 2.1.2 Services and Supplies. Maintenance, repair and replacement of equipment as are reasonably required; all utilities, including telephone, power, light, gas and water; and all supplies that may be reasonably required for the operation of the Clinics.
 - 2.1.3 Non-physician Personnel. All non-physician personnel with appropriate education, training and experience required to operate the Clinics, including a qualified administrative manager. SBHCD shall have the sole right and responsibility for the hiring and termination of all its employees. SBHCD shall be responsible for the Clinics scheduling of non-physician Clinic personnel.
- 2.2 Eligibility. At all times during the term of this Agreement, Clinics shall remain eligible to participate in the Medicare and Medi-Cal programs.
- 2.3 Contracts. SBHCD shall be solely responsible for negotiating all contracts for the reimbursement of Services provided in the Clinics. SBHCD in its sole and absolute discretion shall determine the negotiation parameters for the terms, conditions and rates for such contracts.
- 2.4 Access to Records. Physician shall have access to the Clinics' patient medical and business records for quality of care and compliance purposes.

3. BILLING AND ASSIGNMENT OF REVENUE

- 3.1 Billing and Collection. SBHCD shall perform billing and collection services under this Agreement. Physician shall cooperate with SBHCD and shall use his/her best efforts to bill and collect for services in a diligent, timely, competent, effective, lawful, and commercially reasonable manner, maximizing the revenue to which Physician is legally and ethically entitled.
- 3.2 Assignment of Professional Service Revenues. Physician hereby assigns to SBHCD the right to all revenue from any and all patients, third-party payors, and governmental programs for all services rendered by Physician at the Hospital and the Clinics under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Physician services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 30.2.7.

4. COMPENSATION FOR COVERAGE BY PHYSICIAN

- 4.1 Coverage Fee. As compensation for the provision of professional Services in the Clinics, SBHCD shall compensate Physician a rate of **One Hundred Sixty-Two Dollars (\$162.00)** per hour. SBHCD shall pay Physician on a monthly basis in accordance with the normal SBHCD contract payment process, for Services provided by Physician during the immediately preceding monthly period. Physician shall not bill for facility fees, administrative, supervisory, medical director, or similar services.
- 4.2 Schedule of Charges. SBHCD, in its sole and absolute discretion, shall decide upon the schedule of charges for the Clinics. Pursuant to California Health and Safety Code Section 32129, the SBHCD Board of Directors may review the fees and charges for Services provided at the Clinics to ensure such fees and charges are reasonable, fair, and consistent with the basic commitment of SBHCD to provide adequate health care to all residents within the Hospital Service Area.

5. TERM AND TERMINATION

- 5.1 Term. The term of this Agreement shall commence on the Effective Date and continue for a period of one (1) year from the Start Date, unless terminated earlier as provided in this Agreement, and shall automatically renew for successive one (1) year periods until terminated. Either party shall have the right to terminate this Agreement without stating a cause or reason and without cost or penalty upon sixty (60) days prior written notice to the other party. If this Agreement is terminated prior to expiration of the initial year of the term, the parties shall not enter into any new agreement or arrangement during the remainder of such year.
- 5.2 Termination for Cause. Either party shall have the right to terminate the Agreement for cause upon not less than thirty (30) days written notice (provided that in the case of (i) Sections 5.3.3, 5.3.4, and 5.3.5, no additional notice beyond that specified therein shall be required, (ii) Section 5.3.6, no notice shall be required and this Agreement will terminate effective as of the date of such exclusion, suspension, debarment from, or ineligibility for, any federal or state health care program, and/or of such conviction of a criminal offense related to conduct that would or could trigger an exclusion from any federal or state health care program, and (iii) insolvency or bankruptcy described in Section 5.3.2, as of the date of such insolvency or declaration of bankruptcy, as applicable).
- 5.3 Definition of Cause. For purposes of this Agreement, "cause" shall include, but not be limited to, the occurrence of any of the following events:
- 5.3.1 SBHCD or Physician is in breach of any material term or condition of this Agreement and such breach has not been cured within thirty (30) days following notice of such breach.
- 5.3.2 SBHCD or Physician becomes insolvent or declares bankruptcy.
- 5.3.3 The license to practice medicine or to prescribe controlled substances of Physician is revoked or suspended, or Physician is suspended or removed from the Medical Staff of the Hospital, or no longer maintains the required membership status on the Medical Staff of the Hospital.
- 5.3.4 SBHCD fails to carry or reinstate the insurance required in Article 8 of this Agreement or such coverage is cancelled or revoked within ten (10) days following notice of revocation from its insurance carrier.
- 5.3.5 Upon the determination that Physician has violated a material term of Article 9 of this Agreement.
- 5.3.6 The performance by either party of any term, condition, or provision of this Agreement which jeopardizes the licensure of Hospital, Hospital's participation in Medicare, Medi-Cal or other reimbursement or payment program, or Hospital's full accreditation by The Joint Commission or any other state or nationally recognized accreditation organization, or the tax-exempt status of Hospital's bonds, or if for any other reason such performance violates any statute, ordinance, or is otherwise deemed illegal, or is deemed unethical by any recognized body, agency, or association in the healthcare fields, and the jeopardy or violation has not been or cannot be cured within sixty (60) days from the date notice of such jeopardy or violation has been received by the parties.
- 5.4 Termination/Expiration Not Subject to Fair Hearing. It is agreed between the parties that should either party exercise its right to terminate this Agreement such decision to terminate, and the actual termination or expiration of this Agreement, shall apply to rights under this Agreement only and not to Physician's medical staff privileges or membership on the medical staff of Hospital. The termination or expiration of this Agreement shall not be subject to the Fair Hearing Plan of the Medical Staff Bylaws, the hearing procedures provided by Healthcare District Law, or any other fair hearing procedure regarding medical staff appointments or privileges.

6. INDEPENDENT CONTRACTOR

- 6.1 Independent Contractor Status. Physician is engaged in an independent contractor relationship with SBHCD in performing all work, services, duties and obligations pursuant to this Agreement. Neither SBHCD nor Hospital shall exercise any control or direction over the methods by which Physician performs Physician's work and functions, except that Physician shall perform at all times in strict accordance with

then currently approved methods and practices of Physician's professional specialty. SBHCD's sole interest is to ensure that Physician performs and renders services in a competent, efficient and satisfactory manner in accordance with high medical standards.

- 6.2 **Independent Contractor Responsibilities.** The parties expressly agree that no work, act, commission or omission of Physician pursuant to the terms and conditions of this Agreement shall be construed to make or render Physician, the agent or employee of SBHCD or Hospital. Physician shall not be entitled to receive from SBHCD or Hospital vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability or unemployment insurance benefits or any other employee benefit.

7. REPRESENTATIONS AND WARRANTIES OF PARTIES

- 7.1 SBHCD for itself, and its directors, officers, employees and agents (collectively, "Agents"), and Physician (for Physician and Physician's Agents) hereby warrants and represent as follows:
- 7.1.1 Neither it nor any of its Agents (i) is excluded, suspended or debarred from, or otherwise ineligible for, participation in any federal or state health care program including, without limitation, Medicare or Medi-Cal, or (ii) has been convicted of a criminal offense related to conduct that would or could trigger an exclusion from any federal or state health care program including, without limitation, Medicare or Medi-Cal; and
- 7.1.2 It shall, and it shall ensure that each of its Agents shall, notify the other parties thereto immediately in writing of (i) any threatened, proposed or actual exclusion, suspension or debarment, and/or (ii) any conviction of a criminal offense related to conduct that would or could trigger an exclusion, of it or any of its Agents from any federal or state health care program.

8. LIABILITY/MALPRACTICE INSURANCE COVERAGE

- 8.1 SBHCD and Hospital shall maintain general and professional liability insurance coverage commencing on the Start Date and continuing for the term of this Agreement in minimum amounts of \$1,000,000 per occurrence and \$3,000,000 annual aggregate. In the event the coverage that SBHCD and/or Hospital obtains to comply with this Section of this Agreement is a "claims made" policy, and SBHCD or Hospital, as applicable, changes insurance carriers or terminates coverage upon or after termination of this Agreement, SBHCD or Hospital, as applicable, shall immediately obtain and shall maintain "tail" coverage in the amounts otherwise required under this Section for at least seven (7) years following termination of this Agreement.

9. PROTECTED HEALTH INFORMATION

- 9.1 **Protected Health Information.** Physician shall maintain the confidentiality of all Protected Health Information ("PHI") in accordance with all applicable federal, state and local laws and regulations, including, but not limited to, the California Confidentiality of Medical Information Act and the Federal Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder ("HIPAA"). Without limiting the foregoing, Physician agrees to maintain PHI, as defined from time to time under HIPAA, which may be made available to or received by Physician pursuant to this Agreement, in accordance with the requirements of HIPAA. Physician agrees that Physician shall:
- 9.1.1 Not use or further disclose PHI in a manner that would violate HIPAA if done by Hospital or violate the requirements of applicable laws or this Agreement;
- 9.1.2 Use appropriate safeguards to prevent use or disclosure of PHI except as permitted by law and the terms of this Agreement, and report to Hospital any use or disclosure of PHI not permitted by law or by this Agreement of which Physician becomes aware;
- 9.1.3 Comply with the elements of any compliance program established by Hospital that applies to the use or disclosure of PHI and ensure that any subcontractors or agents to whom Physician provides PHI agree to the same restrictions and conditions that apply to Physician with respect to such PHI;

- 9.1.4 In accordance with HIPAA, (i) make available PHI to the subject Patient; (ii) make available PHI for amendment and incorporate any amendments to PHI; and (iii) make available the information required to provide an accounting of disclosures of PHI to the subject Patient;
 - 9.1.5 Make Physician's internal practices, books, and records relating to the use and disclosure of PHI available to the Secretary of the United States Department of Health and Human Services for purposes of determining Hospital's and Physician's compliance with HIPAA;
 - 9.1.6 At termination of this Agreement, return or destroy all PHI received from or created by SBHCD and retain no copies of such PHI or, if return or destruction is not permissible under law or the terms of this Agreement, continue to maintain all PHI in accordance with the provisions of this Section and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.
- 9.2 Electronic Protected Health Information ("EPHI"). Physician agrees that Physician will: (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that Physician creates, receives, maintains, or transmits on behalf of SBHCD; (ii) report to SBHCD any security incident with respect to EPHI of which Physician becomes aware; and (iii) ensure that any agent, including a subcontractor, to whom Physician provides EPHI agrees to implement reasonable and appropriate safeguards to protect such information.

10. GENERAL PROVISIONS

- 10.1 Notices. Any notice to be given to any party hereunder shall be deposited in the United States Mail, duly registered or certified, with return receipt requested, with postage paid, and addressed to the party for which intended, at the following addresses, or to such other address or addresses as the parties may hereafter designate in writing to each other.

SBHCD: San Benito Health Care District
Office of the Chief Executive Officer
911 Sunset Drive
Hollister, CA 95023

Physician: Zainab M. Malik, M.D.
5340 Manderston Drive
San Jose, CA 95138

- 10.2 No Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
- 10.3 Governing Law and Venue. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California. Venue shall be in the County of San Benito, California.
- 10.4 Ownership of Patient Records. All Clinics' patient records shall be maintained by SBHCD and are the property of SBHCD. Physician shall have the right to access such records during normal business hours.
- 10.5 Exclusive Property of SBHCD. All data, files, records, documents, specifications, promotional materials and similar items relating to the business of SBHCD, whether prepared by or with the assistance of Physician or otherwise coming into Physician's possession shall remain the exclusive property of SBHCD and shall not be removed from SBHCD's facilities under any circumstances without the prior written consent of SBHCD.
- 10.6 No Referrals. Nothing in this Agreement is intended to obligate or induce any party to this Agreement to refer patients to any other party.
- 10.7 Confidentiality. The parties acknowledge and agree that during the term of this Agreement and in the course of the discharge of Physician's duties hereunder, Physician shall have access to and become acquainted with information concerning the operation of District, and information which, pursuant to

applicable law and regulation, is deemed to be confidential, including, but not limited to, trade secrets, medical records, patient medical and personal information, and personnel records. Physician agrees that such information shall not be disclosed either directly or indirectly to any other person or entity used by Physician in any way either during the term of this Agreement or at any other time thereafter, except as is required herein. Physician understands breach of this article will be an irremediable breach of this Agreement. Such breach will result in immediate termination of this Agreement.

10.8 **Binding Agreement; No Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties to it and their respective legal representatives, successors and permitted assigns. No party may assign this Agreement or any rights hereunder, or may they delegate any of the duties to be performed hereunder without the prior written consent of the other party.

10.9 **Dispute Resolution.** If any dispute, controversy or claim arises out of this Agreement, for a period of thirty (30) days following written notice of the dispute, controversy or claim from one party to the other, the parties will use their good faith efforts to resolve the dispute, controversy or claim. If the matter cannot be resolved by the parties in this fashion, then such dispute, claim or controversy shall be heard in San Benito County, California, pursuant to the provisions of California Code of Civil Procedure Sections 638 through 645.1, inclusive. The hearing shall be final and binding to the greatest extent permitted by law, and the cost thereof, including reasonable attorneys' fees, shall be borne by the losing party in such proportions as the referee may decide. Judgment on the award may be entered in any court having jurisdiction thereof.

10.10 **Section 952 of Omnibus Budget Reconciliation Act of 1980.** In accordance with Section 952 of the Omnibus Reconciliation Act of 1980 (PL 96-499), Physician agrees that the books and records of Physician will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement. In the event that any of the services to be performed under this Agreement are performed by any subcontractor of Physician at a value or cost of \$10,000 or more over a twelve (12) month period, Physician shall comply and assure that such subcontractor complies with the provisions of Section 952 of the Omnibus Reconciliation Act of 1980. If regulations are issued at a later time which would determine that Section 952 of PL 96-499 is not applicable to this Agreement, this Section shall automatically be repealed.

10.11 **Entire Agreement; Amendment.** This Agreement, its exhibits, and all referenced documents constitute the entire agreement between the parties pertaining to the subject matter contained herein. This Agreement supersedes all prior and contemporaneous agreements, representations and understandings of the parties which relate to the subject matter of this Agreement. No supplement, amendment or modification of this Agreement shall be binding unless executed in writing by all of the parties.

The parties hereby executed this Agreement as of the Effective Date first set forth above.

SBHCD
San Benito Health Care District

Physician
Zainab M. Malik, M.D.

By: _____
Mary T. Casillas, Interim Chief Executive Officer

Zainab M. Malik, M.D.

Date: _____

Date: _____

EXHIBIT A

**PHYSICIAN RESPONSIBILITIES
COMMUNITY HEALTH CLINICS**

The duties of Physician shall include, but not be limited to, the following, as may be required by the SBHCD:

1. Rendering professional psychiatry healthcare/medical services to patients of the Clinics.
2. Responsibility for the delivery of psychiatry healthcare/medical services at the Clinics including:
 - a) Ensuring the quality, availability, and expertise of medical services rendered in the Clinics, and at Clinic-related activities;
 - b) Supervising behavioral health physician assistants and nurse practitioners (collectively referred to as “Mid-Level Practitioners”) as necessary for reimbursement; or consultant in the extended absence of the Medical Director as determined by SBHCD for Clinic patients to provide adequate coverage.
 - c) The coordination of behavioral health medical activities of the Clinics as a whole to be accomplished through continuous communication with appropriate District administrative personnel regarding matters relating to the medical administration of the Clinics;
 - d) Assisting with the development of a plan for behavioral health quality assurance for the Clinics;
 - e) Provide required chart review and audits of appropriate mid-level practitioner staff for Clinic behavioral health patients.

EXHIBIT B

SCHEDULE and CONTINUING MEDICAL EDUCATION

1. **Schedule.** Physician shall provide Physician Services to SBHCD patients on a full-time equivalent (1.0 FTE) basis, Monday through Friday, forty (40) hours per week up to forty-eight (48) weeks per year. Physician is permitted to provide Physician Services remotely up to one (1) day per week during the term of this Agreement.

- 1.1 **Absences.** Physician is entitled to four (4) weeks of time off for vacation, Clinic-observed holidays, illness, continuing education, etc. each contract year without reduction in Compensation. Physician must provide forty-five (45) days' notice for vacations and/or desired schedule changes that would leave an extended gap in coverage. Physician is responsible for negotiating/scheduling coverage changes and assuring adequate coverage is in place during any absences.

2. **Continuing Medical Education.** For each contract year during the term of this Agreement, Physician shall be entitled reimbursement for continuing medical education ("CME") expenses incurred during the contract year up to a maximum of two thousand five hundred dollars (\$2,500). Reimbursable expenses include registration fees, books, or other course materials, and specifically excludes travel, lodging or food expenses. Unused CME expense reimbursement funds do not roll over to the following year nor may they be cashed out or paid out upon termination of this Agreement. Payment for reimbursable CME expenses shall be made in accordance with applicable SBHCD policies following receipt of appropriate documentation. Physician shall be responsible for maintaining Physician's CME documentation.



Board of Directors Contract Review Worksheet

Agreement for Professional Services with Vivek Jain, M.D.

Executive Summary: Dr. Vivek Jain is a board-certified neurologist who has been providing full-time neurology services within the hospital, skilled nursing facilities, rural health & specialty clinics since 2015 under a professional services agreement with *Your Medical Group, Inc.* Since that agreement is ending on 6/1/2023, the District wishes to continue offering this vital service to the community without interruption.

Recommended Board Motion: It is recommended the hospital Board approve the Professional Services Agreement with Vivek Jain, M.D. at a rate of \$192.31 per hour.

Services Provided: Full-time (40 hours/week) neurology services within the hospital, skilled nursing facilities, and clinics.

Agreement Terms:

Contract Term	Effective Date	FMV %ile	Base Monthly Cost	Estimated Annual Cost	Term clause
1 year	6/1/2023	65th	\$33,333	\$400,000	60 days

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is entered into and effective as of **June 1, 2023** (“Effective Date”), by and between **San Benito Health Care District**, a local health care district organized and operated pursuant to Division 23 of the California Health and Safety Code (“SBHCD”), and **Vivek Jain, M.D.** (“Physician”).

RECITALS

- A. SBHCD owns and operates Hazel Hawkins Memorial Hospital, a licensed general acute care facility located at 911 Sunset Drive, Hollister, California (“Hospital”). Hospital provides inpatient and outpatient services to residents of the San Benito Health Care District and surrounding communities which constitute the Hospital’s service area (“Hospital Service Area”).
- B. SBHCD owns and operates rural and specialty health clinics as defined in Title 22, California Code of Regulations section 51115.5 to provide services to patients in the Hospital Service Area (“Clinics”). Clinics operate under the name “Hazel Hawkins Community Health Clinics” and “Hollister Multi-Specialty Clinic”.
- C. Physician is licensed to practice medicine in the State of California, is a member in good standing of the medical staff of Hospital, and is experienced and qualified to provide neurology services (“Services”).
- D. Section 32129 of the California Health and Safety Code provides that a health care district may contract with a physician to render professional health services in order to ensure that adequate health care is available to all residents within its service area.
- E. SBHCD has determined that entering into this Agreement with Physician is in the best interests of the Hospital and the public health of the residents of the Hospital Service Area, and is an appropriate way to assure availability of hospital, skilled nursing facility, rural health and specialty clinic services to patients in the Hospital Service Area.
- F. The parties desire to enter into this Agreement to set forth their respective responsibilities in connection with the Services provided by Physician in the Hospital Service Area during the term of this Agreement.

The parties hereby agree as follows:

1. DUTIES AND OBLIGATIONS OF PHYSICIAN

- 1.1 Professional Services. Physician shall provide all Services reasonably required for coverage, patient care, and operation of the Hospital, Skilled Nursing Facilities, and clinics and will perform the duties as set forth in Exhibits A and B. Physician shall provide such services on a full-time (1.0 FTE) basis and pursuant to a mutually agreed upon schedule. If Physician cannot agree on such a schedule, SBHCD shall determine the schedule.
- 1.2 Qualifications of Physician. Physician shall: (i) be duly licensed to practice medicine by the State of California; (ii) be an active member in good standing of the Hospital’s medical staff; (iii) have levels of competence, experience and skill comparable to those prevailing in the community; and (iv) not be excluded from any governmental healthcare program.
- 1.3 Compliance. In connection with the operation and conduct of the Hospital, Skilled Nursing Facilities, and Clinics and rendition of Services, Physician shall, at all times, comply with the applicable terms of this Agreement and with all applicable federal, state and local laws, rules and regulations, including requirements for participation in the Medicare and Medi-Cal programs, and will at all times be aware of and participate in meeting the District Corporate Compliance program goals and objectives.
- 1.4 Credentialing. In order to be efficiently credentialed with payors contracted with SBHCD, Physician shall participate in the Council for Affordable Quality Healthcare (“CAQH”) credentialing program and shall timely comply with requests from CAQH or SBHCD personnel for (i) credentialing information regarding Physician, and (ii) documents necessary for the credentialing of Physician.

- 1.5 Use of Premises. No part of the Clinics premises shall be used at any time by Physician as an office for the general or private practice of medicine.
- 1.6 Medical Records/Chart Notes. Physician shall provide appropriate and necessary documentation for each patient's medical record for all patient encounters in the Clinics.
- 1.7 Coding. Physician shall properly code all professional services rendered to patients for all visits to the Clinics. Physician's coding shall be used for purposes of billing for Services provided by Physician. All such coding shall be subject to review and audit by an independent auditing company mutually agreed upon by the parties.

2. DUTIES AND OBLIGATIONS OF SBHCD

- 2.1 Duties. SBHCD agrees to furnish at its own cost and expense, for the operation of the Clinics, the following:
 - 2.1.1 Space and Equipment. Space and Equipment as may be reasonably required for the operation of the Clinics as approved by Hospital.
 - 2.1.2 Services and Supplies. Maintenance, repair and replacement of equipment as are reasonably required; all utilities, including telephone, power, light, gas and water; and all supplies that may be reasonably required for the operation of the Clinics.
 - 2.1.3 Non-physician Personnel. All non-physician personnel with appropriate education, training and experience required to operate the Clinics, including a qualified administrative manager. SBHCD shall have the sole right and responsibility for the hiring and termination of all its employees. SBHCD shall be responsible for the Clinics scheduling of non-physician Clinic personnel.
- 2.2 Eligibility. At all times during the term of this Agreement, Clinics shall remain eligible to participate in the Medicare and Medi-Cal programs.
- 2.3 Contracts. SBHCD shall be solely responsible for negotiating all contracts for the reimbursement of Services provided in the Clinics. SBHCD in its sole and absolute discretion shall determine the negotiation parameters for the terms, conditions and rates for such contracts.
- 2.4 Access to Records. Physician shall have access to the Clinics' patient medical and business records for quality of care and compliance purposes.

3. BILLING AND ASSIGNMENT OF REVENUE

- 3.1 Billing and Collection. SBHCD shall perform billing and collection services under this Agreement. Physician shall cooperate with SBHCD and shall use his/her best efforts to bill and collect for services in a diligent, timely, competent, effective, lawful, and commercially reasonable manner, maximizing the revenue to which Physician is legally and ethically entitled.
- 3.2 Assignment of Professional Service Revenues. Physician hereby assigns to SBHCD the right to all revenue from any and all patients, third-party payors, and governmental programs for all services rendered by Physician at the Hospital and the Clinics under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Physician services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 30.2.7.

4. COMPENSATION FOR COVERAGE BY PHYSICIAN

- 4.1 Coverage Fee. As compensation for the provision of professional Services in the Clinics, Hospital and Skilled Nursing Facilities, SBHCD shall compensate Physician a rate of **One Hundred Ninety-Two Dollars and Thirty-One Cents (\$192.31)** per hour. SBHCD shall pay Physician on a monthly basis in accordance with the normal SBHCD contract payment process, for Services provided by Physician during the immediately preceding monthly period. Physician shall not bill for facility fees, administrative, supervisory, medical director, or similar services.

- 4.2 Schedule of Charges. SBHCD, in its sole and absolute discretion, shall decide upon the schedule of charges for the Clinics. Pursuant to California Health and Safety Code Section 32129, the SBHCD Board of Directors may review the fees and charges for Services provided at the Clinics to ensure such fees and charges are reasonable, fair, and consistent with the basic commitment of SBHCD to provide adequate health care to all residents within the Hospital Service Area.

5. TERM AND TERMINATION

- 5.1 Term. The term of this Agreement shall commence on the Effective Date and continue for a period of one (1) year from the Start Date, unless terminated earlier as provided in this Agreement, and shall automatically renew for successive one (1) year periods until terminated. Either party shall have the right to terminate this Agreement without stating a cause or reason and without cost or penalty upon sixty (60) days prior written notice to the other party. If this Agreement is terminated prior to expiration of the initial year of the term, the parties shall not enter into any new agreement or arrangement during the remainder of such year.
- 5.2 Termination for Cause. Either party shall have the right to terminate the Agreement for cause upon not less than thirty (30) days written notice (provided that in the case of (i) Sections 5.3.3, 5.3.4, and 5.3.5, no additional notice beyond that specified therein shall be required, (ii) Section 5.3.6, no notice shall be required and this Agreement will terminate effective as of the date of such exclusion, suspension, debarment from, or ineligibility for, any federal or state health care program, and/or of such conviction of a criminal offense related to conduct that would or could trigger an exclusion from any federal or state health care program, and (iii) insolvency or bankruptcy described in Section 5.3.2, as of the date of such insolvency or declaration of bankruptcy, as applicable).
- 5.3 Definition of Cause. For purposes of this Agreement, “cause” shall include, but not be limited to, the occurrence of any of the following events:
- 5.3.1 SBHCD or Physician is in breach of any material term or condition of this Agreement and such breach has not been cured within thirty (30) days following notice of such breach.
- 5.3.2 SBHCD or Physician becomes insolvent or declares bankruptcy.
- 5.3.3 The license to practice medicine or to prescribe controlled substances of Physician is revoked or suspended, or Physician is suspended or removed from the Medical Staff of the Hospital, or no longer maintains the required membership status on the Medical Staff of the Hospital.
- 5.3.4 SBHCD fails to carry or reinstate the insurance required in Article 8 of this Agreement or such coverage is cancelled or revoked within ten (10) days following notice of revocation from its insurance carrier.
- 5.3.5 Upon the determination that Physician has violated a material term of Article 9 of this Agreement.
- 5.3.6 The performance by either party of any term, condition, or provision of this Agreement which jeopardizes the licensure of Hospital, Hospital’s participation in Medicare, Medi-Cal or other reimbursement or payment program, or Hospital’s full accreditation by The Joint Commission or any other state or nationally recognized accreditation organization, or the tax-exempt status of Hospital’s bonds, or if for any other reason such performance violates any statute, ordinance, or is otherwise deemed illegal, or is deemed unethical by any recognized body, agency, or association in the healthcare fields, and the jeopardy or violation has not been or cannot be cured within sixty (60) days from the date notice of such jeopardy or violation has been received by the parties.
- 5.4 Termination/Expiration Not Subject to Fair Hearing. It is agreed between the parties that should either party exercise its right to terminate this Agreement such decision to terminate, and the actual termination or expiration of this Agreement, shall apply to rights under this Agreement only and not to Physician’s medical staff privileges or membership on the medical staff of Hospital. The termination or expiration of this Agreement shall not be subject to the Fair Hearing Plan of the Medical Staff Bylaws, the hearing procedures provided by Healthcare District Law, or any other fair hearing procedure regarding medical staff appointments or privileges.

6. INDEPENDENT CONTRACTOR

- 6.1 Independent Contractor Status. Physician is engaged in an independent contractor relationship with SBHCD in performing all work, services, duties and obligations pursuant to this Agreement. Neither SBHCD nor Hospital shall exercise any control or direction over the methods by which Physician performs Physician's work and functions, except that Physician shall perform at all times in strict accordance with then currently approved methods and practices of Physician's professional specialty. SBHCD's sole interest is to ensure that Physician performs and renders services in a competent, efficient and satisfactory manner in accordance with high medical standards.
- 6.2 Independent Contractor Responsibilities. The parties expressly agree that no work, act, commission or omission of Physician pursuant to the terms and conditions of this Agreement shall be construed to make or render Physician, the agent or employee of SBHCD or Hospital. Physician shall not be entitled to receive from SBHCD or Hospital vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability or unemployment insurance benefits or any other employee benefit.

7. REPRESENTATIONS AND WARRANTIES OF PARTIES

- 7.1 SBHCD for itself, and its directors, officers, employees and agents (collectively, "Agents"), and Physician (for Physician and Physician's Agents) hereby warrants and represent as follows:
- 7.1.1 Neither it nor any of its Agents (i) is excluded, suspended or debarred from, or otherwise ineligible for, participation in any federal or state health care program including, without limitation, Medicare or Medi-Cal, or (ii) has been convicted of a criminal offense related to conduct that would or could trigger an exclusion from any federal or state health care program including, without limitation, Medicare or Medi-Cal; and
- 7.1.2 It shall, and it shall ensure that each of its Agents shall, notify the other parties thereto immediately in writing of (i) any threatened, proposed or actual exclusion, suspension or debarment, and/or (ii) any conviction of a criminal offense related to conduct that would or could trigger an exclusion, of it or any of its Agents from any federal or state health care program.

8. LIABILITY/MALPRACTICE INSURANCE COVERAGE

- 8.1 SBHCD and Hospital shall maintain general and professional liability insurance coverage commencing on the Start Date and continuing for the term of this Agreement in minimum amounts of \$1,000,000 per occurrence and \$3,000,000 annual aggregate. In the event the coverage that SBHCD and/or Hospital obtains to comply with this Section of this Agreement is a "claims made" policy, and SBHCD or Hospital, as applicable, changes insurance carriers or terminates coverage upon or after termination of this Agreement, SBHCD or Hospital, as applicable, shall immediately obtain and shall maintain "tail" coverage in the amounts otherwise required under this Section for at least seven (7) years following termination of this Agreement.

9. PROTECTED HEALTH INFORMATION

- 9.1 Protected Health Information. Physician shall maintain the confidentiality of all Protected Health Information ("PHI") in accordance with all applicable federal, state and local laws and regulations, including, but not limited to, the California Confidentiality of Medical Information Act and the Federal Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder ("HIPAA"). Without limiting the foregoing, Physician agrees to maintain PHI, as defined from time to time under HIPAA, which may be made available to or received by Physician pursuant to this Agreement, in accordance with the requirements of HIPAA. Physician agrees that Physician shall:
- 9.1.1 Not use or further disclose PHI in a manner that would violate HIPAA if done by Hospital or violate the requirements of applicable laws or this Agreement;

- 9.1.2 Use appropriate safeguards to prevent use or disclosure of PHI except as permitted by law and the terms of this Agreement, and report to Hospital any use or disclosure of PHI not permitted by law or by this Agreement of which Physician becomes aware;
 - 9.1.3 Comply with the elements of any compliance program established by Hospital that applies to the use or disclosure of PHI and ensure that any subcontractors or agents to whom Physician provides PHI agree to the same restrictions and conditions that apply to Physician with respect to such PHI;
 - 9.1.4 In accordance with HIPAA, (i) make available PHI to the subject Patient; (ii) make available PHI for amendment and incorporate any amendments to PHI; and (iii) make available the information required to provide an accounting of disclosures of PHI to the subject Patient;
 - 9.1.5 Make Physician's internal practices, books, and records relating to the use and disclosure of PHI available to the Secretary of the United States Department of Health and Human Services for purposes of determining Hospital's and Physician's compliance with HIPAA;
 - 9.1.6 At termination of this Agreement, return or destroy all PHI received from or created by SBHCD and retain no copies of such PHI or, if return or destruction is not permissible under law or the terms of this Agreement, continue to maintain all PHI in accordance with the provisions of this Section and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.
- 9.2 Electronic Protected Health Information ("EPHI"). Physician agrees that Physician will: (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that Physician creates, receives, maintains, or transmits on behalf of SBHCD; (ii) report to SBHCD any security incident with respect to EPHI of which Physician becomes aware; and (iii) ensure that any agent, including a subcontractor, to whom Physician provides EPHI agrees to implement reasonable and appropriate safeguards to protect such information.

10. GENERAL PROVISIONS

- 10.1 Notices. Any notice to be given to any party hereunder shall be deposited in the United States Mail, duly registered or certified, with return receipt requested, with postage paid, and addressed to the party for which intended, at the following addresses, or to such other address or addresses as the parties may hereafter designate in writing to each other.

SBHCD: San Benito Health Care District
Office of the Chief Executive Officer
911 Sunset Drive
Hollister, CA 95023

Physician: Vivek Jain, M.D.
16927 Del Monte Avenue #263
Morgan Hill, CA 95037

- 10.2 No Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
- 10.3 Governing Law and Venue. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California. Venue shall be in the County of San Benito, California.
- 10.4 Ownership of Patient Records. All Hospital, Skilled Nursing Facilities' and Clinics' patient records shall be maintained by SBHCD and are the property of SBHCD. Physician shall have the right to access such records during normal business hours.
- 10.5 Exclusive Property of SBHCD. All data, files, records, documents, specifications, promotional materials and similar items relating to the business of SBHCD, whether prepared by or with the assistance of Physician or otherwise coming into Physician's possession shall remain the exclusive property of SBHCD and shall

not be removed from SBHCD's facilities under any circumstances without the prior written consent of SBHCD.

- 10.6 **No Referrals.** Nothing in this Agreement is intended to obligate or induce any party to this Agreement to refer patients to any other party.
- 10.7 **Confidentiality.** The parties acknowledge and agree that during the term of this Agreement and in the course of the discharge of Physician's duties hereunder, Physician shall have access to and become acquainted with information concerning the operation of District, and information which, pursuant to applicable law and regulation, is deemed to be confidential, including, but not limited to, trade secrets, medical records, patient medical and personal information, and personnel records. Physician agrees that such information shall not be disclosed either directly or indirectly to any other person or entity used by Physician in any way either during the term of this Agreement or at any other time thereafter, except as is required herein Physician understands breach of this article will be an irremediable breach of this Agreement. Such breach will result in immediate termination of this Agreement.
- 10.8 **Binding Agreement; No Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the parties to it and their respective legal representatives, successors and permitted assigns. No party may assign this Agreement or any rights hereunder, or may they delegate any of the duties to be performed hereunder without the prior written consent of the other party.
- 10.9 **Dispute Resolution.** If any dispute, controversy or claim arises out of this Agreement, for a period of thirty (30) days following written notice of the dispute, controversy or claim from one party to the other, the parties will use their good faith efforts to resolve the dispute, controversy or claim. If the matter cannot be resolved by the parties in this fashion, then such dispute, claim or controversy shall be heard in San Benito County, California, pursuant to the provisions of California Code of Civil Procedure Sections 638 through 645.1, inclusive. The hearing shall be final and binding to the greatest extent permitted by law, and the cost thereof, including reasonable attorneys' fees, shall be borne by the losing party in such proportions as the referee may decide. Judgment on the award may be entered in any court having jurisdiction thereof.
- 10.10 **Section 952 of Omnibus Budget Reconciliation Act of 1980.** In accordance with Section 952 of the Omnibus Reconciliation Act of 1980 (PL 96-499), Physician agrees that the books and records of Physician will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement. In the event that any of the services to be performed under this Agreement are performed by any subcontractor of Physician at a value or cost of \$10,000 or more over a twelve (12) month period, Physician shall comply and assure that such subcontractor complies with the provisions of Section 952 of the Omnibus Reconciliation Act of 1980. If regulations are issued at a later time which would determine that Section 952 of PL 96-499 is not applicable to this Agreement, this Section shall automatically be repealed.
- 10.11 **Entire Agreement; Amendment.** This Agreement, its exhibits, and all referenced documents constitute the entire agreement between the parties pertaining to the subject matter contained herein. This Agreement supersedes all prior and contemporaneous agreements, representations and understandings of the parties which relate to the subject matter of this Agreement. No supplement, amendment or modification of this Agreement shall be binding unless executed in writing by all of the parties.

The parties hereby executed this Agreement as of the Effective Date first set forth above.

SBHCD
San Benito Health Care District

Physician
Vivek Jain, M.D.

By: _____
Mary T. Casillas, Interim Chief Executive Officer

Vivek Jain, M.D.

Date: _____

Date: _____

EXHIBIT A

PHYSICIAN RESPONSIBILITIES

The duties of Physician shall include, but not be limited to, the following, as may be required by the SBHCD:

1. Rendering professional neurology healthcare/medical services to patients of the Clinics.
2. Responsibility for the delivery of neurology healthcare/medical services at the Clinics including:
 - a) Ensuring the quality, availability, and expertise of medical services rendered in the Clinics, and at Clinic-related activities;
 - b) The coordination of neurology medical activities of the Clinics as a whole to be accomplished through continuous communication with appropriate District administrative personnel regarding matters relating to the medical administration of the Clinics;
 - c) Assisting with the development of a plan for neurology quality assurance for the Clinics;
 - e) Provide chart review and audits of appropriate mid-level practitioner staff for Clinic neurology patients, as needed.
3. Rendering professional neurology healthcare/medical services for patients of the District's emergency department, inpatient (Medical Surgical and Special Care Unit) departments, and skilled nursing facilities, as requested.

EXHIBIT B

SCHEDULE and CONTINUING MEDICAL EDUCATION

1. **Schedule.** Physician shall provide Physician Services to SBHCD patients on a full-time equivalent (1.0 FTE) basis, Monday through Friday, forty (40) hours per week at least forty-eight (48) weeks per year.
- 1.1 **Absences.** Physician is entitled to four (4) weeks of time off for vacation, Clinic-observed holidays, illness, continuing education, etc. each contract year without reduction in Compensation. Physician must provide forty-five (45) days' notice for vacations and/or desired schedule changes that would leave an extended gap in coverage. Physician is responsible for negotiating/scheduling coverage changes and assuring adequate coverage is in place during any absences.
2. **Continuing Medical Education.** For each contract year during the term of this Agreement, Physician shall be entitled reimbursement for continuing medical education ("CME") expenses incurred during the contract year up to a maximum of two thousand five hundred dollars (\$2,500). Reimbursable expenses include registration fees, books, or other course materials, and specifically excludes travel, lodging or food expenses. Unused CME expense reimbursement funds do not roll over to the following year nor may they be cashed out or paid out upon termination of this Agreement. Payment for reimbursable CME expenses shall be made in accordance with applicable SBHCD policies following receipt of appropriate documentation. Physician shall be responsible for maintaining Physician's CME documentation.