



Hazel Hawkins
MEMORIAL HOSPITAL

**REGULAR MEETING OF THE FINANCE COMMITTEE
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
MONDAY, JUNE 23, 2025 - 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. Review Financial Updates
 - Financial Statements – May 2025
 - Finance Dashboard – May 2025
 - Supplemental Payments – May 2025
3. Consider Recommendation for Board Approval of Professional Services Agreement with John Wiemann, IV, MD.
 - Report
 - Committee Questions
 - Motion/Second
4. Consider Recommendation for Board Approval of Professional Services Agreement, Amendment 1 with Bay Area Gynecology Oncology, Inc.
 - Report
 - Committee Questions
 - Motion/Second
5. Consider Recommendation for Board Approval of FYE 06/30/26 Operating and Capital Budgets.
 - Report
 - Committee Questions
 - Motion/Second
6. Public Comment



Hazel Hawkins MEMORIAL HOSPITAL

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 **Monday, July 21, 2025 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.



MEMORIAL HOSPITAL
SKILLED NURSING FACILITIES
HOME HEALTH AGENCY

San Benito Health Care District

A Public Agency

911 Sunset Drive
Hollister, CA 95023-5695
(831) 637-5711

June 23, 2025

CFO Financial Summary for the District Board:

For the month ending May 31, 2025, the District's Net Surplus **(Loss)** is \$11,328,466 compared to a budgeted Surplus **(Loss)** of \$391,026. The District exceeded its budget for the month by \$10,937,440.

YTD as of May 30, 2025, the District's Net Surplus **(Loss)** is \$30,245,809 compared to a budgeted Surplus **(Loss)** of \$6,124,978. The District is exceeding its budget YTD by \$24,120,831.

Acute discharges were 159 for the month, exceeding budget by 4 discharges or 3%. The ADC was 15.19 compared to a budget of 14.48. The ALOS was 2.96. The acute I/P gross revenue exceeded budget by **\$723,362 (10%)** while O/P services gross revenue exceeded budget by **\$2.7 million** or 10% over budget. ER I/P visits were 124 and ER O/P visits were over budget by 307 visits or 14%. The RHCs & Specialty Clinics treated 3,576 (includes 589 visits at the Diabetes Clinic) and 1,158 visits respectively.

Other Operating revenue exceeded budget by **\$12 million** due to:

- 1) **\$10,773,126** in Employee Retention Credit (ERC). The 15% consulting fee of \$1.6 million was expensed under professional fees.
- 2) **\$1,162,893** for CY 2024 IGT and (Direct) HQAF funding.

Operating Expenses were over budget by **\$2.5 million** due mainly to: \$1.6 million in Professional Fees for the ERC funding, Registry of \$300,554 (partially offset by savings in Benefits of \$117,297. Supplies and Purchased Services were over budget by \$245,022 and \$288,802 respectively due mainly to the increase I/P ADC and Orthopedic surgery cases.

Non-operating Revenue was slightly under budget by **\$15,873** due to \$8,754 in bank fees for the revenue bonds and the timing of donations.

The SNFs ADC was **93.29** for the month. The Net Surplus **(Loss)** is \$230,934 compared to a budget of \$133,095. YTD, the Net Surplus **(Loss)** is \$1,642,128 exceeding its budget by \$584,278.



San Benito Health Care District
Hazel Hawkins Memorial Hospital
MAY 2025

Description	MTD Budget	MTD Actual	YTD Actual	YTD Budget	FYE Budget
Average Daily Census - Acute	14.48	15.19	14.70	14.86	14.90
Average Daily Census - SNF	87.95	93.29	87.66	84.71	85.00
Acute Length of Stay	2.90	2.96	2.73	2.90	2.90
<u>ER Visits:</u>					
Inpatient	128	124	1,482	1,330	1,444
Outpatient	2,141	2,448	24,246	23,234	25,269
Total	2,269	2,572	25,728	24,564	26,713
Days in Accounts Receivable	50.0	51.6	51.6	50.0	50.0
Productive Full-Time Equivalents	521.33	541.76	520.04	521.33	521.33
Net Patient Revenue	12,225,419	13,736,164	145,113,351	132,489,657	144,649,605
Payment-to-Charge Ratio	32.8%	33.6%	33.8%	32.7%	32.7%
Medicare Traditional Payor Mix	28.06%	33.27%	29.47%	28.20%	28.51%
Commercial Payor Mix	21.94%	23.97%	23.32%	21.98%	21.88%
Bad Debt % of Gross Revenue	1.42%	1.30%	1.76%	1.42%	1.42%
EBIDA	621,320	11,566,057	32,813,262	8,699,132	9,671,943
EBIDA %	4.86%	43.89%	19.46%	6.28%	6.40%
Operating Margin	0.32%	41.72%	15.58%	1.60%	1.72%
Salaries, Wages, Registry & Benefits %:					
by Net Operating Revenue	62.35%	31.31%	50.80%	61.12%	61.10%
by Total Operating Expense	62.55%	53.73%	60.17%	62.11%	62.15%
<u>Bond Covenants:</u>					
Debt Service Ratio	1.25	19.16	19.16	1.25	5.18
Current Ratio	1.50	3.75	3.75	1.50	2.00
Days Cash on hand	30.00	105.84	105.84	30.00	100.00
Met or Exceeded Target					
Within 10% of Target					
Not Within 10%					

Statement of Cash Flows
Hazel Hawkins Memorial Hospital
Hollister, CA
Eleven months ending May 31, 2025

	CASH FLOW		COMMENTS
	Current Month 5/31/2025	Current Year-To-Date 5/31/2025	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$11,328,466	\$30,245,809	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	331,639	3,648,880	
(Increase)/Decrease in Net Patient Accounts Receivable	(236,284)	(9,254,107)	
(Increase)/Decrease in Other Receivables	8,524,493	108,242	
(Increase)/Decrease in Inventories	(5,559)	39,889	
(Increase)/Decrease in Pre-Paid Expenses	43,111	(328,478)	
(Increase)/Decrease in Due From Third Parties	0	382,569	
Increase/(Decrease) in Accounts Payable	(503,956)	(3,001,096)	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	496,773	(5,545,878)	
Increase/(Decrease) in Accrued Expenses	6,742	(10,738)	
Increase/(Decrease) in Patient Refunds Payable	(12,547)	(11,609)	
Increase/(Decrease) in Third Party Advances/Liabilities	0	3,000,882	
Increase/(Decrease) in Other Current Liabilities	71,932	435,228	
Net Cash Provided by Operating Activities:	8,716,344	(10,536,216)	Semi-Annual Int. - 2005 GO & 2021 Revenue Bonds
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(65,164)	(4,246,950)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	(1,181,737)	(4,500,095)	Bond Principal & Int Payment - 2014 (2005) & 2021 Bonds
(Increase)/Decrease in Other Assets	5,911	65,021	Amortization
Net Cash Used by Investing Activities	(1,240,990)	(8,682,024)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Capital Lease Debt	(6,893)	(465,285)	
Increase/(Decrease) in Bond Mortgage Debt	(28,520)	(1,848,720)	
Increase/(Decrease) in Other Long Term Liabilities	0	0	2014 GO Principal & Refinancing of 2013 Bonds with 2021 Bonds
Net Cash Used for Financing Activities	(35,413)	(2,314,005)	
(INCREASE)/DECREASE IN RESTRICTED ASSETS	100,000	100,000	
Net Increase/(Decrease) in Cash	18,868,407	8,813,564	
Cash, Beginning of Period	25,090,781	35,145,624	
Cash, End of Period	\$43,959,188	\$43,959,188	\$0

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

Budgeted Cash on Hand
Variance

\$415,325
105.84

\$33,786,301
\$10,172,887

Hazel Hawkins Memorial Hospital
Supplemental Payment Programs
As of **May 31, 2025**, FYE June 30, 2025

	Payor	Actual FY 2025	Actual FY 2024	Notes:
Intergovernmental Transfer Programs:				
- AB 113 Non-Designated Public Hospital (NDPH) SFY 2022/2023 Final Payment SFY 2023/2024	DHCS	39,795	407,785	Requires District to fund program and wait for matching return. Paid on 04/17/24, \$156,525.63, funds rec'd in June. Exp. June 2025.
SFY 2023/2024 Interim SFY 2024/2025	DHCS	305,302	434,472	Paid on 04/24/24, \$506,883.51, funds rec'd in June. Exp. June 2025.
- SB 239 Hospital Quality Assurance Fund (HQAF) CY 2022	Anthem	-	2,405,548	Net amount rec'd on November 1, 2023 check for CY 2022.
- SB 239 Hospital Quality Assurance Fund (HQAF) CY 2023	Anthem	-	2,432,278	IGT by March 22, 2024 of \$1,257,738, funds expected in May/June.
- SB 239 Hospital Quality Assurance Fund (HQAF) CY 2024	CAHA	2,407,056		Paid IGT of \$1,067,193 in April. Rec. in May.
- Rate Range Jan. 1, 2022 through Dec. 31, 2022	Anthem	-	1,025,179	IGT by Feb. 23, 2024 of \$472,508, funds expected in April/May.
- Rate Range Jan. 1, 2022 through Dec. 31, 2023	Anthem	1,339,141		Received in February 2025.
- QIP PY 5 Settlement	Anthem	-	3,459,757	IGT by Feb. 16, 2024 of \$1,891,350.65, funds expected in April/May.
- QIP PY 6 Settlement	DHCS	4,311,260	2,342,379	Sent IGT of \$2,342,379 in March. Rec. in May.
- District Hospital Directed Payments (DHDP) CY 2023	DHCS	710,853	-	New Program created by the DHLP. Rec. in May.
- QIP PY 4 1st Loan Repayment	District	-	(1,253,000)	Paid on 02/26/2024.
- QIP PY 4 2nd Loan Repayment	District	-	(1,222,438)	Paid on 04/08/2024.
- QIP PY 5 Loan Repayment	District	(3,090,086)	-	Paid on December 9, 2024.
IGT sub-total		6,023,320	10,031,960	
Non-Intergovernmental Transfer Programs:				
- AB 915 SY 2023-24	DHCS	1,802,585	4,143,717	Direct Payments. Received on March 17, 2025.
- SB 239 Hospital Quality Assurance Fund (HQAF)	DHCS	1,069,577	1,069,577	Rec. Sep. 4, 2024.
- SB 239 Hospital Quality Assurance Fund (HQAF)	DHCS	-	3,208,731	1st, 2nd & 3rd Qtrs rec'd on 03/19/2024, 05/23/2024 & 06/27/2024.
- SB 239 Hospital Quality Assurance Fund (HQAF) VIII	DHCS	1,081,621		Expected to Rec. 4th qtr payment by June 30, 2025.
- SB 239 Hospital Quality Assurance Fund (HQAF) VIII	DHCS	3,244,863		Rec'd 1st, 2nd, & 3rd Qtr payments YTD.
- District Part, Nursing Facility (DP/NF)	-	-	-	Based on actual cost difference.
- Medi-Cal Disproportionate Share (DSH)	DHCS	1,115,930	1,452,877	Expected quarterly through June 30, 2025.
Non-IGT sub-total		8,314,576	9,874,903	
Program Grand Totals		14,337,896	19,906,863	
Total Received		16,001,264	18,970,344	
Total Pending		1,426,718	1,069,577	
Total Paid		(3,090,086)	(2,475,438)	
Net Supplemental Payments		14,337,896	17,564,484	

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
HOLLISTER, CA 95023
FOR PERIOD 05/31/25

	CURRENT MONTH				YEAR-TO-DATE					
	ACTUAL 05/31/25	BUDGET 05/31/25	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/24	ACTUAL 05/31/25	BUDGET 05/31/25	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/24
GROSS PATIENT REVENUE:										
ACUTE ROUTINE REVENUE	3,709,077	3,248,014	461,063	14	3,237,733	37,108,986	35,901,415	1,207,571	3	35,989,474
SNF ROUTINE REVENUE	2,177,580	2,074,448	103,132	5	1,868,700	22,094,790	21,580,950	513,840	2	22,866,868
ANCILLARY INPATIENT REVENUE	4,415,116	4,019,444	395,672	10	4,136,534	46,918,497	44,205,704	2,712,793	6	44,743,246
HOSPITALIST\PEDS I/P REVENUE	0	0	0	0	158,278	0	0	0	0	1,837,230
TOTAL GROSS INPATIENT REVENUE	10,301,773	9,341,906	959,867	10	9,401,244	106,122,272	101,688,069	4,434,203	4	105,436,817
ANCILLARY OUTPATIENT REVENUE	30,578,782	27,881,294	2,697,488	10	28,988,884	322,882,848	303,547,524	19,335,324	6	301,192,618
HOSPITALIST\PEDS O\P REVENUE	0	0	0	0	80,525	0	0	0	0	774,916
TOTAL GROSS OUTPATIENT REVENUE	30,578,782	27,881,294	2,697,488	10	29,069,409	322,882,848	303,547,524	19,335,324	6	301,967,534
TOTAL GROSS PATIENT REVENUE	40,880,554	37,223,200	3,657,354	10	38,470,653	429,005,121	405,235,593	23,769,528	6	407,404,351
DEDUCTIONS FROM REVENUE:										
MEDICARE CONTRACTUAL ALLOWANCES	11,112,054	10,085,998	1,026,056	10	9,685,889	115,582,735	110,067,898	5,514,837	5	108,540,684
MEDI-CAL CONTRACTUAL ALLOWANCES	10,292,214	9,974,451	317,763	3	10,058,061	109,175,819	108,826,446	349,373	0	107,875,227
BAD DEBT EXPENSE	550,068	528,186	21,882	4	770,155	7,548,429	5,768,307	1,780,122	31	7,107,011
CHARITY CARE	65,355	39,381	25,974	66	71,700	392,623	430,014	(37,391)	(9)	450,819
OTHER CONTRACTUALS AND ADJUSTMENTS	5,124,700	4,369,765	754,935	17	4,242,139	51,192,164	47,653,271	3,538,893	7	48,657,724
HOSPITALIST\PEDS CONTRACTUAL ALLOW	0	0	0	0	(25,778)	0	0	0	0	28,667
TOTAL DEDUCTIONS FROM REVENUE	27,144,391	24,997,781	2,146,610	9	24,802,165	283,891,770	272,745,936	11,145,834	4	272,660,132
NET PATIENT REVENUE	13,736,164	12,225,419	1,510,745	12	13,668,489	145,113,351	132,489,657	12,623,694	10	134,744,219
OTHER OPERATING REVENUE	12,616,734	554,881	12,061,853	2,174	747,655	23,468,299	6,033,691	17,434,608	289	6,481,739
NET OPERATING REVENUE	26,352,897	12,780,300	13,572,597	106	14,416,143	168,581,650	138,523,348	30,058,302	22	141,225,958
OPERATING EXPENSES:										
SALARIES & WAGES	5,382,042	5,308,135	73,907	1	4,781,214	55,702,192	56,539,648	(837,456)	(2)	51,356,188
REGISTRY	582,187	229,839	352,348	153	508,004	5,919,898	2,522,455	3,397,443	135	4,056,380
EMPLOYEE BENEFITS	2,287,943	2,430,458	(142,515)	(6)	2,148,020	24,010,680	25,600,941	(1,590,261)	(6)	23,137,605
PROFESSIONAL FEES	3,252,006	1,656,213	1,595,793	96	1,793,251	18,642,349	17,898,633	743,716	4	17,754,600
SUPPLIES	1,286,032	1,025,255	260,777	25	1,228,319	12,369,062	11,090,388	1,278,674	12	11,765,508
PURCHASED SERVICES	1,424,286	1,151,622	272,664	24	1,317,878	14,748,229	12,444,979	2,303,250	19	12,373,437
RENTAL	156,263	150,183	6,080	4	154,948	1,762,896	1,622,962	139,934	9	1,539,126
DEPRECIATION & AMORT	317,020	318,477	(1,457)	(1)	321,583	3,486,966	3,503,247	(16,281)	(1)	3,558,048
INTEREST	125,434	27,693	97,741	353	5,701	539,265	307,172	232,093	76	477,781
OTHER	545,558	441,612	103,946	24	487,074	5,140,369	4,779,368	361,001	8	4,794,658
TOTAL EXPENSES	15,358,771	12,739,487	2,619,284	21	12,745,991	142,321,906	136,309,793	6,012,113	4	130,813,330
NET OPERATING INCOME (LOSS)	10,994,126	40,813	10,953,313	26,838	1,670,153	26,259,744	2,213,555	24,046,189	1,086	10,412,627

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
HOLLISTER, CA 95023
FOR PERIOD 05/31/25

	CURRENT MONTH				YEAR-TO-DATE					
	ACTUAL 05/31/25	BUDGET 05/31/25	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/24	ACTUAL 05/31/25	BUDGET 05/31/25	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/24
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	5,000	(5,000)	(100)	0	226,594	155,000	71,594	46	243,927
PROPERTY TAX REVENUE	241,122	241,122	0	0	205,711	2,652,342	2,652,342	0	0	2,262,821
GO BOND PROP TAXES	175,915	175,915	0	0	170,388	1,935,062	1,935,065	(3)	0	1,874,265
GO BOND INT REVENUE\EXPENSE	(65,081)	(65,081)	0	0	(68,721)	(715,896)	(715,891)	(5)	0	(755,932)
OTHER NON-OPER REVENUE	13,890	15,908	(2,018)	(13)	13,603	172,919	174,988	(2,069)	(1)	191,954
OTHER NON-OPER EXPENSE	(31,404)	(22,651)	(8,753)	39	(80,520)	(299,654)	(290,081)	(9,573)	3	(399,205)
INVESTMENT INCOME	(101)	0	(101)	0	0	14,697	0	14,697	0	(4,209)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	334,340	350,213	(15,873)	(5)	240,461	3,986,065	3,911,423	74,642	2	3,413,622
NET SURPLUS (LOSS)	11,328,466	391,026	10,937,440	2,797	1,910,614	30,245,809	6,124,978	24,120,831	394	13,826,249
EBIDA	\$ 11,566,057	\$ 621,320	\$ 10,944,737	1,761.52%	\$ 2,211,050	\$ 32,813,262	\$ 8,699,132	\$ 24,114,130	277.20%	\$ 16,665,169
EBIDA MARGIN	43.89%	4.86%	39.03%	802.78%	15.34%	19.46%	6.28%	13.18%	209.94%	11.80%
OPERATING MARGIN	41.72%	0.32%	41.40%	12,965.70%	11.59%	15.58%	1.60%	13.98%	874.76%	7.37%
NET SURPLUS (LOSS) MARGIN	42.99%	3.06%	39.93%	1,305.00%	13.25%	17.94%	4.42%	13.52%	305.76%	9.79%

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
HOLLISTER, CA 95023
FOR PERIOD 05/31/25

	CURRENT MONTH				YEAR-TO-DATE					
	ACTUAL 05/31/25	BUDGET 05/31/25	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/24	ACTUAL 05/31/25	BUDGET 05/31/25	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/24
GROSS PATIENT REVENUE:										
ROUTINE REVENUE	3,709,077	3,248,014	461,063	14	3,237,733	37,108,986	35,901,415	1,207,571	3	35,989,474
ANCILLARY INPATIENT REVENUE	3,939,453	3,677,154	262,299	7	3,918,896	42,618,257	40,644,769	1,973,488	5	41,413,585
HOSPITALIST I/P REVENUE	0	0	0	0	158,278	0	0	0	0	1,837,230
TOTAL GROSS INPATIENT REVENUE	7,648,530	6,925,168	723,362	10	7,314,906	79,727,242	76,546,184	3,181,058	4	79,240,288
ANCILLARY OUTPATIENT REVENUE	30,578,782	27,881,294	2,697,488	10	28,988,884	322,882,848	303,547,524	19,335,324	6	301,192,618
HOSPITALIST O/P REVENUE	0	0	0	0	80,525	0	0	0	0	774,916
TOTAL GROSS OUTPATIENT REVENUE	30,578,782	27,881,294	2,697,488	10	29,069,409	322,882,848	303,547,524	19,335,324	6	301,967,534
TOTAL GROSS ACUTE PATIENT REVENUE	38,227,311	34,806,462	3,420,849	10	36,384,315	402,610,091	380,093,708	22,516,383	6	381,207,822
DEDUCTIONS FROM REVENUE ACUTE:										
MEDICARE CONTRACTUAL ALLOWANCES	10,746,860	9,862,767	884,093	9	9,505,049	112,476,815	107,745,571	4,731,244	4	106,111,793
MEDI-CAL CONTRACTUAL ALLOWANCES	10,315,085	9,844,084	471,001	5	9,656,152	108,376,783	107,470,209	906,574	1	106,175,292
BAD DEBT EXPENSE	542,323	523,186	19,137	4	752,911	7,469,832	5,713,307	1,756,525	31	7,198,878
CHARITY CARE	65,355	39,381	25,974	66	71,054	331,185	430,014	(98,829)	(23)	447,117
OTHER CONTRACTUALS AND ADJUSTMENTS	5,036,384	4,335,825	700,559	16	4,247,525	50,818,019	47,300,178	3,517,841	7	48,289,072
HOSPITALIST\PEDS CONTRACTUAL ALLOW	0	0	0	0	(25,778)	0	0	0	0	28,667
TOTAL ACUTE DEDUCTIONS FROM REVENUE	26,706,006	24,605,243	2,100,763	9	24,206,913	279,472,634	268,659,279	10,813,355	4	268,250,820
NET ACUTE PATIENT REVENUE	11,521,305	10,201,219	1,320,086	13	12,177,402	123,137,456	111,434,429	11,703,027	11	112,957,002
OTHER OPERATING REVENUE	12,616,734	554,881	12,061,853	2,174	747,655	23,468,299	6,033,691	17,434,608	289	6,481,739
NET ACUTE OPERATING REVENUE	24,138,039	10,756,100	13,381,939	124	12,925,057	146,605,755	117,468,120	29,137,635	25	119,438,742
OPERATING EXPENSES:										
SALARIES & WAGES	4,301,872	4,246,854	55,018	1	3,818,258	44,301,171	45,380,565	(1,079,394)	(2)	40,988,175
REGISTRY	500,554	200,000	300,554	150	462,737	5,335,822	2,200,000	3,135,822	143	3,655,529
EMPLOYEE BENEFITS	1,768,398	1,885,694	(117,297)	(6)	1,704,141	18,677,485	19,858,570	(1,181,085)	(6)	18,009,003
PROFESSIONAL FEES	3,249,796	1,653,831	1,595,965	97	1,791,041	18,618,039	17,872,895	745,144	4	17,730,290
SUPPLIES	1,172,700	927,678	245,022	26	1,136,476	11,275,872	10,031,783	1,244,089	12	10,710,764
PURCHASED SERVICES	1,351,138	1,062,336	288,802	27	1,224,760	13,691,689	11,480,108	2,211,581	19	11,434,802
RENTAL	141,853	149,089	(7,236)	(5)	153,205	1,658,621	1,611,140	47,481	3	1,526,254
DEPRECIATION & AMORT	277,441	278,940	(1,499)	(1)	282,596	3,056,314	3,068,340	(12,026)	0	3,124,596
INTEREST	125,434	27,693	97,741	353	5,701	539,265	307,172	232,093	76	477,781
OTHER	454,542	385,147	69,395	18	418,181	4,500,664	4,168,642	332,022	8	4,205,670
TOTAL EXPENSES	13,343,727	10,817,262	2,526,465	23	10,997,096	121,654,942	115,979,215	5,675,727	5	111,862,865
NET OPERATING INCOME (LOSS)	10,794,312	(61,162)	10,855,474	(17,749)	1,927,960	24,950,814	1,488,905	23,461,909	1,576	7,575,877

FOR PERIOD 05/31/25

	CURRENT MONTH				YEAR-TO-DATE					
	ACTUAL 05/31/25	BUDGET 05/31/25	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/24	ACTUAL 05/31/25	BUDGET 05/31/25	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/24
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	5,000	(5,000)	(100)	0	226,594	155,000	71,594	46	243,927
PROPERTY TAX REVENUE	204,954	204,954	0	0	174,854	2,254,494	2,254,494	0	0	1,923,394
GO BOND PROP TAXES	175,915	175,915	0	0	170,388	1,935,062	1,935,065	(3)	0	1,874,265
GO BOND INT REVENUE\EXPENSE	(65,081)	(65,081)	0	0	(68,721)	(715,896)	(715,891)	(5)	0	(755,932)
OTHER NON-OPER REVENUE	13,890	15,908	(2,018)	(13)	13,603	172,919	174,988	(2,069)	(1)	191,954
OTHER NON-OPER EXPENSE	(26,356)	(17,603)	(8,753)	50	(74,331)	(235,004)	(225,433)	(9,571)	4	(322,338)
INVESTMENT INCOME	(101)	0	(101)	0	0	14,697	0	14,697	0	(4,209)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/ (EXPENSE)	303,220	319,093	(15,873)	(5)	215,792	3,652,867	3,578,223	74,644	2	3,151,062
NET SURPLUS (LOSS)	11,097,532	257,931	10,839,601	4,203	2,143,753	28,603,681	5,067,128	23,536,553	465	10,726,938

HAZEL HAWKINS SKILLED NURSING FACILITIES
HOLLISTER, CA

FOR PERIOD 05/31/25

	CURRENT MONTH				YEAR-TO-DATE					
	ACTUAL 05/31/25	BUDGET 05/31/25	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/24	ACTUAL 05/31/25	BUDGET 05/31/25	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/24
GROSS SNF PATIENT REVENUE:										
ROUTINE SNF REVENUE	2,177,580	2,074,448	103,132	5	1,868,700	22,094,790	21,580,950	513,840	2	22,866,868
ANCILLARY SNF REVENUE	475,663	342,290	133,373	39	217,639	4,300,240	3,560,935	739,305	21	3,329,661
TOTAL GROSS SNF PATIENT REVENUE	2,653,243	2,416,738	236,505	10	2,086,339	26,395,030	25,141,885	1,253,145	5	26,196,529
DEDUCTIONS FROM REVENUE SNF:										
MEDICARE CONTRACTUAL ALLOWANCES	365,194	223,231	141,963	64	180,840	3,105,920	2,322,327	783,593	34	2,428,890
MEDI-CAL CONTRACTUAL ALLOWANCES	(22,871)	130,367	(153,238)	(118)	401,909	799,036	1,356,237	(557,201)	(41)	1,699,935
BAD DEBT EXPENSE	7,745	5,000	2,745	55	17,243	78,597	55,000	23,597	43	(91,867)
CHARITY CARE	0	0	0	0	645	61,438	0	61,438		3,702
OTHER CONTRACTUALS AND ADJUSTMENTS	88,316	33,940	54,376	160	(5,386)	374,145	353,093	21,052	6	368,652
TOTAL SNF DEDUCTIONS FROM REVENUE	438,385	392,538	45,847	12	595,252	4,419,136	4,086,657	332,479	8	4,409,312
NET SNF PATIENT REVENUE	2,214,859	2,024,200	190,659	9	1,491,087	21,975,894	21,055,228	920,666	4	21,787,216
OTHER OPERATING REVENUE	0	0	0	0	0	0	0	0	0	0
NET SNF OPERATING REVENUE	2,214,859	2,024,200	190,659	9	1,491,087	21,975,894	21,055,228	920,666	4	21,787,216
OPERATING EXPENSES:										
SALARIES & WAGES	1,080,170	1,061,281	18,889	2	962,955	11,401,021	11,159,083	241,938	2	10,368,013
REGISTRY	81,634	29,839	51,795	174	45,267	584,076	322,455	261,621	81	400,851
EMPLOYEE BENEFITS	519,546	544,764	(25,218)	(5)	443,879	5,333,195	5,742,371	(409,176)	(7)	5,128,602
PROFESSIONAL FEES	2,210	2,382	(172)	(7)	2,210	24,310	25,738	(1,428)	(6)	24,310
SUPPLIES	113,331	97,577	15,754	16	91,843	1,093,191	1,058,605	34,586	3	1,054,744
PURCHASED SERVICES	73,148	89,286	(16,138)	(18)	93,118	1,056,540	964,871	91,669	10	938,635
RENTAL	14,410	1,094	13,316	1,217	1,742	104,275	11,822	92,453	782	12,872
DEPRECIATION	39,580	39,537	43	0	38,987	430,653	434,907	(4,254)	(1)	433,451
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHER	91,016	56,465	34,551	61	68,892	639,705	610,726	28,979	5	588,988
TOTAL EXPENSES	2,015,044	1,922,225	92,819	5	1,748,895	20,666,964	20,330,578	336,386	2	18,950,466
NET OPERATING INCOME (LOSS)	199,814	101,975	97,839	96	(257,808)	1,308,930	724,650	584,280	81	2,836,751
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	36,168	36,168	0	0	30,857	397,848	397,848	0	0	339,427
OTHER NON-OPER EXPENSE	(5,048)	(5,048)	0	0	(6,188)	(64,650)	(64,648)	(2)	0	(76,867)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	31,120	31,120	0	0	24,669	333,198	333,200	(2)	0	262,560
NET SURPLUS (LOSS)	230,934	133,095	97,839	74	(233,139)	1,642,128	1,057,850	584,278	55	3,099,311

HAZEL HAWKINS MEMORIAL HOSPITAL
HOLLISTER, CA
For the month ended 05/31/25

	CURR MONTH 05/31/25	PRIOR MONTH 04/30/25	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/24
CURRENT ASSETS					
CASH & CASH EQUIVALENT	43,959,188	25,090,781	18,868,407	75	35,145,624
PATIENT ACCOUNTS RECEIVABLE	66,592,582	68,197,801	(1,605,219)	(2)	67,848,785
BAD DEBT ALLOWANCE	(6,686,582)	(6,911,622)	225,041	(3)	(9,487,617)
CONTRACTUAL RESERVES	(38,570,490)	(40,186,954)	1,616,464	(4)	(46,279,766)
OTHER RECEIVABLES	5,823,101	14,347,594	(8,524,493)	(59)	5,931,344
INVENTORIES	4,456,182	4,450,623	5,559	0	4,496,070
PREPAID EXPENSES	2,103,502	2,146,613	(43,111)	(2)	1,775,026
DUE TO\FROM THIRD PARTIES	(181,860)	(181,860)	0	0	200,709
TOTAL CURRENT ASSETS	77,495,624	66,952,977	10,542,647	16	59,630,175
	=====	=====	=====	=====	=====
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	8,013,013	6,831,277	1,181,737	17	3,512,919
TOTAL LIMITED USE ASSETS	8,013,013	6,831,277	1,181,737	17	3,512,919
	=====	=====	=====	=====	=====
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	45,876,270	45,795,086	81,184	0	44,435,024
CONSTRUCTION IN PROGRESS	4,199,667	4,215,687	(16,020)	0	1,393,964
GROSS PROPERTY, PLANT, AND EQUIPMENT	153,544,784	153,479,621	65,164	0	149,297,836
ACCUMULATED DEPRECIATION	(98,058,044)	(97,726,404)	(331,639)	0	(94,409,166)
NET PROPERTY, PLANT, AND EQUIPMENT	55,486,741	55,753,216	(266,476)	(1)	54,888,670
	=====	=====	=====	=====	=====
OTHER ASSETS					
UNAMORTIZED LOAN COSTS	333,126	339,037	(5,911)	(2)	398,148
PENSION DEFERRED OUTFLOWS NET	7,038,149	7,038,149	0	0	7,038,149
TOTAL OTHER ASSETS	7,371,275	7,377,186	(5,911)	0	7,436,297
	=====	=====	=====	=====	=====
TOTAL UNRESTRICTED ASSETS	148,366,653	136,914,655	11,451,997	8	125,468,061
	=====	=====	=====	=====	=====
RESTRICTED ASSETS	127,157	129,318	(2,160)	(2)	127,119
TOTAL ASSETS	148,493,810	137,043,973	11,449,837	8	125,595,180

HAZEL HAWKINS MEMORIAL HOSPITAL
HOLLISTER, CA
For the month ended 05/31/25

	CURR MONTH 05/31/25	PRIOR MONTH 04/30/25	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/24
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	5,571,589	6,075,545	503,956	(8)	8,572,685
ACCRUED PAYROLL	2,920,381	2,379,968	(540,413)	23	5,824,977
ACCRUED PAYROLL TAXES	456,178	446,926	(9,252)	2	1,608,471
ACCRUED BENEFITS	5,206,840	5,259,732	52,892	(1)	6,695,829
OTHER ACCRUED EXPENSES	78,823	72,081	(6,742)	9	89,559
PATIENT REFUNDS PAYABLE	1,310	13,857	12,547	(91)	12,920
DUE TO\FROM THIRD PARTIES	5,356,466	5,356,466	0	0	2,355,584
OTHER CURRENT LIABILITIES	1,046,982	975,050	(71,932)	7	611,755
TOTAL CURRENT LIABILITIES	20,638,568	20,579,624	(58,944)	0	25,771,780
	=====	=====	=====	=====	=====
LONG-TERM DEBT					
LEASES PAYABLE	4,642,201	4,649,094	6,893	0	5,107,486
BONDS PAYABLE	29,893,401	29,921,921	28,520	0	31,742,121
TOTAL LONG TERM DEBT	34,535,602	34,571,015	35,413	0	36,849,607
	=====	=====	=====	=====	=====
OTHER LONG-TERM LIABILITIES					
DEFERRED REVENUE	0	0	0	0	0
LONG-TERM PENSION LIABILITY	23,814,514	23,814,514	0	0	23,814,514
TOTAL OTHER LONG-TERM LIABILITIES	23,814,514	23,814,514	0	0	23,814,514
	=====	=====	=====	=====	=====
TOTAL LIABILITIES	78,988,684	78,965,153	(23,531)	0	86,435,901
NET ASSETS:					
UNRESTRICTED FUND BALANCE	39,064,686	39,064,686	0	0	39,064,686
RESTRICTED FUND BALANCE	194,631	96,792	(97,840)	101	94,593
NET REVENUE/(EXPENSES)	30,245,809	18,917,342	(11,328,466)	60	0
TOTAL NET ASSETS	69,505,126	58,078,820	(11,426,306)	20	39,159,279
	=====	=====	=====	=====	=====
TOTAL LIABILITIES AND NET ASSETS	148,493,810	137,043,973	(11,449,837)	8	125,595,180
	=====	=====	=====	=====	=====



Board of Directors Contract Review Worksheet

Professional Services Agreement for Orthopedic Services with John Wiemann IV, M.D.



Executive Summary: Dr. John Wiemann, IV is a board-certified orthopedic surgeon with extensive experience in both adult general and pediatric orthopedics. He completed his medical degree and orthopedic residency at the University of California San Diego and the University Of New Mexico School Of Medicine, followed by a fellowship in pediatric orthopedics at Orlando Health/Arnold Palmer Hospital for Children.

Dr. Wiemann started with us in February 2025 as a locum tenens provider and has been a great fit with both our clinic and surgical services teams. He brings expanded coverage for total hip & knee joint replacements, as well as other complex orthopedic issues. We are now looking to move forward with a permanent agreement to bring him under contract for ongoing orthopedic coverage.

Recommended Board Motion: It is recommended that the Board approve a three-year professional services agreement with Dr. John Wiemann for orthopedic surgical coverage with compensation set at \$4,140.63 per shift.

Services Provided: Clinic, hospital & emergency orthopedic call coverage consisting of a minimum of 16 shifts per month.

Agreement Terms:

Contract Term	Effective Date	Estimated Annual Cost	Term clause
3 years	7/8/2025	Year 1: \$795,000	60 days

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“**Agreement**”) is made, entered into and effective as of July 8, 2025 (“**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 John Wiemann, IV, 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 an outpatient orthopedic center operating at 930 Sunnyslope Road, Ste. C-4, Hollister, CA 95023, under the name “Hollister Orthopedic Specialty Center” (“**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 orthopedic services, including surgery.
- 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 SBHCD and the public health of the residents of the Hospital Service Area and is an appropriate way to assure availability of specialty medical 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:

ARTICLE 1 - DUTIES AND OBLIGATIONS OF PHYSICIAN

- 1.1 Medical Services. Beginning on July 8, 2025 (“**Commencement Date**”), Physician shall provide Services (as defined in Exhibit A) to patients at Clinic and/or Hospital and on the schedule more fully described in Exhibit A, which is attached to this Agreement and incorporated by this reference. Services include Medicare services, Medi-Cal services, services pursuant to any other federal health care program or a state health care financial program (“**Governmental Programs**”), workers’ compensation services, and charity care. Physician shall cooperate to enable Clinic’s and Hospital’s participation in Medicare, Medi-Cal, Governmental Programs, workers’ compensation services and commercial payor programs. Physician shall provide Services to all patients, including Medicare, Medi-Cal, Governmental Program, and workers’ compensation beneficiaries, in a non-discriminatory manner and in accordance with all applicable laws and SBHCD policies and procedures, as developed and implemented in collaboration with physician leadership of Hospital and Clinic.
- 1.2 Qualifications. Physician shall: (i) be duly licensed to practice medicine by the State of California; (ii) be qualified to perform the Services by having adequate levels of competency and experience; (iii) have skill comparable to those prevailing in the community; (iv) not be excluded from participation in any governmental healthcare program; (v) be approved for and maintain active membership and/or clinical privileges on the Hospital’s medical staff in accordance with medical staff bylaws, rules and regulations, and other medical staff governing directives; (vi) be certified as a participating physician in the Medicare and Medi-Cal programs; and (vii) hold an unrestricted Drug Enforcement Administration (“**DEA**”) registration number.

- 1.3 Compliance. In connection with the operation and conduct of the Clinic and Hospital 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, the Hospital medical staff bylaws, rules and regulations, and applicable policies and procedures, and will at all times be aware of and participate in meeting the SBHCD 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 SBHCD 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 Clinic and Hospital in compliance with the hospital's and clinics' policies and procedures.
- 1.7 Coding. Physician shall properly code all professional services rendered to patients. 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.
- 1.8 Professional Standards. In performing Services, Physician shall comply with the principles and ethics of the American Medical Association, the California Medical Association and any federal, state or municipal law, statute or ordinance dealing with the practice of medicine by Physician. Physician shall further abide in all respects with the Code of Conduct applicable to professional health care providers of any hospital, outpatient clinic or surgery center, including but not limited to SBHCD, at which Physician shall provide professional services. Physician shall provide services to all SBHCD patients on a courteous and prompt basis, be available and accessible to patients, provide them with full and meaningful information and render services in a manner which assures continuity of care.

ARTICLE 2 - DUTIES AND OBLIGATIONS OF SBHCD

- 2.1 Duties. SBHCD agrees to furnish at its own cost and expense, for the operation of the Clinic and Hospital, the following:
 - 2.1.1 Space and Equipment. Space and Equipment as may be reasonably required for the operation of the Clinic and Hospital as approved by SBHCD.
 - 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 Clinic and Hospital.
 - 2.1.3 Non-physician Personnel. All non-physician personnel with appropriate education, training and experience required to operate the Clinic and Hospital, 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 scheduling of non-physician Clinic and Hospital personnel.
- 2.2 Eligibility. At all times during the term of this Agreement, Clinics and Hospital 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 Clinic and Hospital. 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 SBHCD patient medical and business records for quality of care and compliance purposes.

ARTICLE 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 furnish appropriate documentation of patient care services provided by Physician to enable SBHCD to timely and accurately bill and collect for such services.
- 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 and its Physicians at the Hospital and the Clinic under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Physician's services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 30.2.7.

ARTICLE 4 - COMPENSATION FOR SERVICES BY PHYSICIAN

- 4.1 Compensation. As compensation for the provision of Services in the Clinic and Hospital, SBHCD shall pay Physician as outlined in Exhibit A to this Agreement and in accordance with the normal SBHCD contract payment process for Services provided by Physician. 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 Clinic and Hospital. 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 Clinic and Hospital 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.

ARTICLE 5 - TERM AND TERMINATION

- 5.1 Term. The term of this Agreement shall commence on the Commencement Date and continue for a period of three (3) years, expiring on **July 7, 2028 at 11:59 PM** unless terminated earlier as provided in this Agreement, and shall renew for successive one (1) year periods upon mutual written agreement of the parties.
- 5.2 Termination. 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. Notwithstanding, either party shall have the right to terminate the Agreement for cause upon written notice to the other party as set forth below. 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.
- 5.3 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 written notice of such breach.
 - 5.3.2 SBHCD or Physician becomes insolvent or declares bankruptcy.
 - 5.3.3 Physician's license to practice medicine or to prescribe controlled substances is revoked or suspended.

- 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 fifteen (15) days following notice of revocation from its insurance carrier.
- 5.3.5 SBHCD's determination, in its sole discretion, 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.
- 5.3.7 The loss of or reduction in Physician's medical staff privileges at any facility where Physician provides professional health care services, whether voluntary or involuntary.
- 5.3.8 Physician being charged with or convicted of a crime other than an infraction, traffic citation, or similar charge.
- 5.3.9 Physician's engagement in: (i) willful misconduct (which means the knowing and intentional failure to exercise ordinary care to prevent material injury to SBHCD or the commission of an intentional act with knowledge that it is likely to result in material injury to the SBHCD), (ii) fraudulent activities, (iii) crimes or acts of moral turpitude, (iv) any breach of a duty to SBHCD, a patient, or any third party payor, (v) sexual harassment or abuse, or (vi) or any other action or omission that could materially affect SBHCD's business or reputation in an adverse manner.
- 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.

ARTICLE 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 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. Physician shall be solely responsible for paying when due all income, employment and withholding taxes and employment benefits, if any, including estimated taxes, incurred as a result of the compensation paid by SBHCD to Physician for Services under this Agreement. Physician is responsible for providing, at his/her

own expense, disability, unemployment, workers' compensation and other insurance (if applicable), training, permits and licenses.

ARTICLE 7 - REPRESENTATIONS AND WARRANTIES

- 7.1 SBHCD Representations and Warranties. SBHCD for itself, and its board of directors, officers, employees, and agents (collectively, "Agents"), represents and warrants to SBHCD, upon execution and while this Agreement is in effect, as follows:
- 7.1.1 SBHCD has all requisite power and authority to enter into this Agreement and to perform its obligations under this Agreement;
 - 7.1.2 This Agreement has been duly authorized, executed, and delivered by SBHCD and is a legal, valid, binding obligation of SBHCD, enforceable in accordance with its terms;
 - 7.1.3 The parties have bargained at arms' length to determine Physician's compensation under this Agreement, the compensation is fair market value for the Services; and the compensation is consistent with fair market value for similar services in the community; and
 - 7.1.4 The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by SBHCD will not violate and provisions of, or constitute a default under, and contract or other agreement to which SBHCD is a party or by which it is bound, other than violations, defaults or conflicts that would not materially and adversely affect the ability of SBHCD to perform the its obligations pursuant to this Agreement.
- 7.2 Physician Representations and Warranties. Physician, for Physician and Physician's Agents, represents and warrants to SBHCD, upon execution and while this Agreement is in effect, as follows:
- 7.2.1 Physician is not bound by any agreement or arrangement which would preclude Physician from entering into, or from fully performing the Services;
 - 7.2.2 Physician's license to practice medicine in California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or restricted in any way;
 - 7.2.3 Physician's medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction;
 - 7.2.4 Physician has not in the past conducted, and is presently not conducting, his/her medical practice in such a manner as to cause Physician to be suspended, excluded, barred or sanctioned under Medicare or Medi-Cal, or any government licensing agency, nor have they every been convicted of a criminal offense related to health care, or listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation;
 - 7.2.5 Physician has, and shall maintain throughout the term of this Agreement, an unrestricted license to practice medicine in California and Medical Staff privileges at Facility;
 - 7.2.6 Physician has all requisite power and authority to enter into this Agreement and to perform its obligations under this Agreement;
 - 7.2.7 This Agreement has been duly authorized, executed, and delivered by Physician and is a legal, valid, binding obligation of Physician, enforceable in accordance with its terms; and

- 7.2.8 The parties have bargained at arms' length to determine Physician's compensation under this Agreement, the compensation is fair market value for the Services; and the compensation is consistent with fair market value for similar services in the community; and
- 7.2.9 The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by Physician will not violate and provisions of, or constitute a default under, and contract or other agreement to which Physician is a party or by which it is bound, other than violations, defaults or conflicts that would not materially and adversely affect the ability of Physician to perform the Services required under this Agreement.

ARTICLE 8 - LIABILITY/MALPRACTICE INSURANCE COVERAGE

- 8.1 Coverages. SBHCD shall maintain general and professional liability insurance coverage for Physician for Services provided by Physician to SBHCD patients during the term of this Agreement in a minimum amount of \$1,000,000 per occurrence and \$3,000,000 annual aggregate. In the event the coverage that SBHCD obtains to comply with this Section of this Agreement is a "claims made" policy, and SBHCD, as applicable, changes insurance carriers or terminates coverage upon or after termination of this Agreement, SBHCD 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.

ARTICLE 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.

ARTICLE 10 - REQUIRED DISCLOSURES

- 10.1 Required Disclosures. Physician shall notify SBHCD in writing within three (3) days after any of the following events occur:
- 10.1.1 Physician's license to practice medicine in the State of California or any other jurisdiction lapses or is denied, suspended, revoked, terminated, voluntarily relinquished (under threat of disciplinary action) or made subject to terms or probation or other restriction;
 - 10.1.2 Physician's medical staff membership and/or privileges at any health care facility or entity are denied, suspended, revoked, terminated, voluntarily relinquished (under threat of disciplinary action), or made subject to terms of probation or other restriction;
 - 10.1.3 Physician is required to pay damages in any malpractice action by way of judgment or settlement, except that Physician shall not be required to breach a settlement or confidentiality agreement;
 - 10.1.4 Receipt of notice of the commencement of any investigation into Physician's medical license or Physician's medical practice by the Medical Board of California, California Attorney General, the Department of Health and Human Services Office of Inspector General, the Department of Justice, or any other entity of federal, state, or local government;
 - 10.1.5 Physician's Drug Enforcement Agency registration number is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way;
 - 10.1.6 An event occurs that substantially interrupts all or a portion of Physician's professional practice, that materially adversely affects Physician's ability to perform Physician's obligations hereunder, including the Services, or which could likely cause Physician to be in breach of this Agreement; or
 - 10.1.7 Physician's conviction of a criminal offense related to health care or any Physician's listing by a federal agency as being debarred, excluded or otherwise ineligible for federal program participation.

ARTICLE 11 - GENERAL PROVISIONS

- 11.1 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 addresses set forth in the signature block, or to such other address or addresses as the parties may hereafter designate in writing to each other.
- 11.2 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.
- 11.3 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.

- 11.4 Ownership of Patient Records. All Clinic and Hospital 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.
- 11.5 Patient Choice. Notwithstanding anything herein to the contrary, all compensation paid to Physician pursuant to this Agreement is solely for the purpose of obtaining the services of Physician for patients of the SBHCD community. The parties recognize and affirm the importance of individual patient choice in selection of medical services. Nothing contained in this Agreement shall be interpreted to obligate, encourage, or solicit, in any way, the referral of any individual patient to any health care facility, including the Facility, contrary to that patient's choice of another provider of medical services. Further, nothing in this Agreement shall be interpreted to prevent, restrict, or discourage the Physician from referring patients to any other provider of health care services.
- 11.6 Exclusive Property of SBHCD. All data, files, records, documents, 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.
- 11.7 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 SBHCD, 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 or 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.
- 11.8 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.
- 11.9 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.
- 11.10 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 not applicable to this Agreement, this Section shall automatically be repealed.

11.11 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
John Wiemann, IV, M.D.

By: _____
Mary T. Casillas, Chief Executive Officer

By: _____
John Wiemann, IV, M.D.

Date: _____

Date: _____

Address for Notices:

San Benito Health Care District
Attn: Chief Executive Officer
911 Sunset Dr.
Hollister, CA

Address for Notices:

John Wiemann, IV, M.D.
2136 East Royal Dornoch Avenue
Fresno, CA 93730

EXHIBIT A
PHYSICIAN SERVICES AND COMPENSATION

A. Services. Beginning on the Commencement Date, Physician shall provide professional orthopedic services at the Hospital and the Clinic as specified by SBHCD, which includes but is not limited to general orthopedic patient consultations, preoperative care, surgical services, postoperative and follow-up care, ancillary and support medical services, and other professional medical services as reasonably requested by SBHCD (“Services”).

B. Schedule.

B.1 Full Time Basis. Physician shall provide the Services on a full-time basis, which shall mean not less than sixteen (16) shifts per calendar month. For purposes of this Section, a “shift” may consist of:

B.1.1 A 24- hour shift during which Physician is on-call for emergency services;

B.1.2 A shift at the Clinic during the Clinic's business hours, during which Physician is not on-call for the emergency services; or

B.1.3 A shift at the Clinic during Clinic's business hours, and at the same time Physician is also on-call for the emergency services.

B.1.4 A shift in the Operating Room, during the Operating Room’s business hours, during which the Physician is not on-call for the emergency services.

B.2 Coverage Schedule. Physician’s shifts will be scheduled to meet Hospital and Clinic patient needs, as the parties mutually agree (said schedule referred to as the “Coverage Schedule”).

B.3 Exceptions to Coverage Schedule. Notwithstanding the above, Physician shall be entitled to have up to twenty-five (25) shifts per calendar year during which Physician would normally be on the Coverage Schedule on which Physician will not be required to provide Services. Physician and SBHCD shall mutually agree upon these days not later than 60 days’ prior to such date occurring.

B.4 Hours. SBHCD, in its sole and absolute discretion, shall determine and set reasonable hours of operation for the Clinic and the operating room at the Hospital. Currently, the coverage hours for the Clinic and Operating Room are:

B.4.1 Clinic: Monday through Friday, 8:00 to 17:00.

B.4.2 Operating Room: Call coverage begins at 07:00 and ends at 06:59 the next day.

C. Compensation.

C.1 Annual Compensation. As further set forth below, Physician shall be paid an amount proportionally equivalent to the following annually as compensation for the Services (“Compensation”):

<u>Year</u>	<u>Compensation Amount</u>
Year 1	\$795,000
Year 2	\$818,850
Year 3	\$843,415

For purpose of this Section C: (i) Year 1 begins on the Commencement Date and continues for 12 months from such date, and (ii) each Year thereafter shall commence on the anniversary of the Commencement Date.

The Compensation above is based on Physician providing 192 shifts per Year (16 shifts per month x 12 months = 192 annual shifts). If Physician provides more or fewer shifts, the Compensation shall be adjusted proportionately. By way of example only, if Physician provides 190 shifts (including the 25 excepted shifts pursuant to Section B.3) in Year 1, the Compensation shall be \$786,718.75 (\$795,000 / 192 shifts = \$4,140.63 per shift x 190 shifts = \$786,718.75). The Compensation shall be

paid in installments on a monthly basis based on the number of shifts provided in the invoice period consistent with SBHCD's standard payment cycle for similar agreements.

C.2 Continuing Medical Education. For each Year during the term of this Agreement, Physician shall be entitled reimbursement for actual continuing medical education ("CME") expenses incurred during the contract year, up to a maximum of two thousand five hundred dollars (\$2,500.00). Reimbursable expenses include registration fees, books, or other course materials, travel, and lodging, but specifically excludes food expenses. Unused CME expense reimbursement funds do not roll over to the following year nor may they be "cashed out" or paid 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.

C.3 Payment on Termination. On termination of this Agreement, which is not extended, renewed or superseded by another agreement, SBHCD shall pay to Physician any amounts due to Physician within forty-five (45) days after the termination of this Agreement.

C.4 Agreement Includes All Compensation from SBHCD. Incorporated into Compensation, unless specifically excluded, are all the Physician's sources of practice revenues and income from SBHCD, including call coverage stipends, other hospital on-call fees, and hospital stipends; provided, however, that services as a medical director within SBHCD, service on medical staff or SBHCD positions such as department chair or chief of staff, call panels which are not currently in effect, or other items specifically excluded by written agreement between Physician and SBHCD shall be independently compensated to Physician by SBHCD, if any, and are not subject to the terms of this Agreement.

D. Services and Activities in Support of SBHCD. SBHCD and Physician acknowledge and agree that certain services and activities may be required of Physician in support of SBHCD to ensure a continuing high level of patient care. To that end, (i) SBHCD may request Physician participate in functions or events from time to time, in support of the Hospital; and (ii) to assist in the recruitment and retention of highly skilled practitioners, SBHCD may request Physician participate in recruitment meetings with SBHCD physician candidates. Physician agrees to perform such services or participate in such activities at SBHCD's reasonable request, but at no additional Compensation. Notwithstanding, SBHCD shall reimburse Physician for reasonable meal expenses incurred by the Physician as part of meeting with physician candidates hosted at the request of SBHCD.

E. Practice Guidelines/Best Quality Practices. Physician shall demonstrate cooperative work arrangements with the Medical Staff, Quality and Safety Leadership and SBHCD Administration to achieve mutually accepted practice guidelines and the best quality practices. These practices will be shall be evidenced based, and include at minimum the following:

E.1 Attendance at regular monthly meetings with Hospital leadership when requested to review any operational or quality issues.

E.2 Timely completion of all patient records.

Goal: As specified by Medical Staff rules and regulations or hospital policy.

E.3 Completion of all procedure notes within twenty-four (24) hours of visit.

Goal: As specified by Medical Staff rules and regulations or hospital policy.

E.4 Timely signing of orders.

Goal: As specified by Medical Staff rules and regulations or hospital policy.

E.5 Timely discharges summaries.

Goal: As specified by Medical Staff rules and regulations or hospital policy.

E.6 Commitment to use of SBHCD supported electronic health/medical record platforms.

E.7 Compliance with all governmental and SBHCD quality reporting initiatives that may come into effect from time to time.

E.8 Timely arrival at the Facilities, defined as being ready, willing and able to provide Services not less than 10 minutes before the commencement of any in-person shift and responding to on-call coverage calls within the times set forth in the Medical Staff rules and regulations.

**AMENDMENT NUMBER 1 TO
PROFESSIONAL SERVICES AGREEMENT FOR
GYNECOLOGY ONCOLOGY, UROGYNECOLOGY, AND BREAST SURGICAL SERVICES
COVERAGE**

(Bay Area Gynecology Oncology, Inc.)

This Amendment Number 1 ("Amendment") is entered into and effective on **July 1, 2025** ("Amendment 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 **Bay Area Gynecology Oncology, Inc.**, a California professional medical corporation ("Group"), and is made to that certain Professional Services Agreement between the parties with an Effective Date of February 13, 2025 ("Agreement").

RECITALS

- A. SBHCD and Group are parties to the Agreement pursuant to which Group provides gynecology oncology and urology gynecology services to patients at Hazel Hawkins Memorial Hospital ("Hospital") and at SBHCD community clinics.
- B. SBHCD has determined that amending the Agreement to add breast surgical services is in the best interest of the Hospital and the public health of the residents of the Hospital Service Area and is an appropriate way to assure availability of clinic and hospital services to patients in the Hospital Service Area.

SBHCD and Group hereby mutually agree to amend the Agreement as follows:

- 1. **Specialty Services.** The Specialty Services outlined in Paragraph A.1.2. of Exhibit A are hereby amended to add that the Group shall also provide **Breast Surgical Services**.
- 2. **Compensation.** Paragraph A.4.2 of Exhibit A is hereby amended to state that Breast Surgical Services shall be compensated at the rate of **Four Hundred Sixty-Three Dollars and No Cents (\$463.00) per hour** for up to a maximum of ten and one-half (10.5) hours per scheduled day.
- 3. **Modifications/Conflict.** No further changes to the Agreement are made by this Amendment and all other terms and provisions of the Agreement remain in full force and effect. Should there be any conflict between the terms and provisions of this Amendment and those of the Agreement, the terms and provisions of this Amendment shall govern.

The parties have executed this Amendment to be effective as of the Amendment Effective Date first set forth above.

SBHCD
San Benito Health Care District

Group
Bay Area Gynecology Oncology, Inc.

By: _____
Mary T. Casillas, Chief Executive Officer

By: _____
James Lilja, M.D., Chief Executive Officer

Date: _____

Date: _____