

Regular Meeting of the Board of Directors, March 26, 2026



Hazel Hawkins MEMORIAL HOSPITAL

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, MARCH 26, 2026 – 5:00 P.M.
SUPPORT SERVICES BUILDING, 2ND FLOOR, GREAT ROOM
IN-PERSON AND BY VIDEO CONFERENCE**

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

Meeting ID: 991 5300 5433

Security Passcode: 007953

TELECONFERENCE LOCATION¹:

**Director Gabriel
400 W. Mineral King Ave.
Visalia, CA 93291**

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

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

AGENDA

1. Call to Order / Roll Call

Presented By:

(Johnson)

2. Board Announcements

(Johnson)

3. Board Education

- WIPFLI Presentation:
 - Community Health and Provider Needs Assessment Update

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

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4. Public Comment

(Johnson)

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on matters within the jurisdiction of this District Board, which are not otherwise covered under an item on this agenda. This is the appropriate place to comment on items on the Consent Agenda. Board Members may not deliberate or take action on an item not on the duly posted agenda. Written comments for the Board should be provided to the Board clerk or designee for the official record. Whenever possible, written correspondence should be submitted to the Board in advance of the meeting to provide adequate time for its consideration. Speaker cards are available.

5. Consent Agenda – General Business

(Johnson)

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

A. Approve Minutes:

- Regular Meeting of the Board of Directors – February 26, 2026

B. Receive Officer/Director Written Reports

- Physician Services & Clinic Operations
- Skilled Nursing Facilities (Mabie Southside/Northside)
- Laboratory and Radiology
- Foundation
- Public Relations
- PMO Project Summary

C. Approve Policies:

- Artificial Intelligence (AI) and Ambient Listening Policy – *(New)*
- Information Technology Acceptable Use – *(Revised)*
- Compounding – Environment Monitoring Incubators – *(Revised)*
- Pharmacy Standard Operating Procedure Review and Maintenance – *(New)*
- Weapons Detection and Screening Policy– *(New)*

D. Approve Resolution No. 2026-14 Modifying The National Union Of Healthcare Workers Unit (Lab Clerks) - Repealing And Superseding Resolution 2026-08**E. Approve Resolution No. 2026-15 Modifying The National Union Of Healthcare Workers Unit (Security Guards) - Repealing And Superseding Resolution 2026-09****F. Approve Resolution No. 2026-12 Amending the District's Conflict of Interest Code**

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

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6. Receive Informational Reports

A. Chief Executive Officer (Verbal Report)

(Casillas)

- HR-1
- Advocacy

▶ Public Comment

B. Chief Nursing Officer

(Descent)

- Dashboard – February, 2026
- Patient Experience

▶ Public Comment

C. Chief Financial Officer

(Robinson)

- Project Dashboard – February, 2026
- Financial Statements – February, 2026
- Finance Dashboard – February, 2026
- Supplemental Payments – February, 2026

▶ Public Comment

7. Action Items

A. Consider and Approve Professional Services Agreement for Lourdes Grayson, M.D.

Recommended Action: Approval of Professional Services Agreement for Lourdes Grayson, M.D.

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

B. Consider and Approve Professional Services Agreement for Shane Walker, M.D.

Recommended Action: Approval of Professional Services Agreement for Shane Walker, M.D.

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

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- C. Consider and Award Contract to The Core Group (Chemistry Analyzer Replacement) in the amount of \$383,575.00.

Recommended Action: Award Contract to The Core Group (Chemistry Analyzer Replacement) in the amount of \$383,575.00.

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

- D. Consider and Approve Resolution No. 2026-11 Authorizing Investment of Monies in the Local Agency Investment Fund. (Robinson)

Recommended Action: Approve Resolution No. 2026-11 Authorizing Investment of Monies in the Local Agency Fund.

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

- E. Consider and Approve Resolution 2026-10 Approving an Amendment to the Memorandum of Understanding with the Engineers and Scientists of California, Local 20, IFPTE.

Recommended Action: Approve Resolution 2026-10 Approving an Amendment to the Memorandum of Understanding with the Engineers and Scientists of California, Local 20, IFPTE.

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

- F. Consider and Approve Consider and Approve Incentive Goals for the Chief Executive Officer. (Angelo)

Recommended Action: Approve Incentive Goals for the Chief Executive Officer.

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

8. Public Comment

(Johnson)

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

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9. **Closed Session** (Johnson)
See the Attached Closed Session Sheet Information
10. **Reconvene to Open Session** (Johnson)
11. **Closed Session Report** (Counsel)
12. **Adjournment** (Johnson)
The next Regular Meeting of the Board of Directors is scheduled for Thursday, April 23, 2026 at 5:00 p.m., Great Room.

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

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

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

Please note that room capacity is limited and available on a first-come, first-served basis.

SAN BENITO HEALTH CARE DISTRICT BOARD OF DIRECTORS

March 26, 2026

AMENDED AGENDA FOR CLOSED SESSION

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

CLOSED SESSION AGENDA ITEMS

LICENSE/PERMIT DETERMINATION

(Government Code §54956.7)

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

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Government Code §54956.8)

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

(Government Code §54956.9(d)(1))

Name of case:

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

(Government Code §54956.9)

Significant exposure to litigation pursuant to § 54956.9(d)(2), (e)(3): Paul Rohart, M.D. received March 6, 2026.

Significant exposure to litigation pursuant to § 54956.9(d)(2), (e)(3): Guillermina Andalon Vazquez received February 23, 2026.

Significant exposure to litigation pursuant to § 54956.9(d)(2), (e)(3): Patrick Gene Cross received March 18, 2026.

LIABILITY CLAIMS

(Government Code §54956.95)

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

Agency claimed against: (Specify name): _____.

THREAT TO PUBLIC SERVICES OR FACILITIES

(Government Code §54957)

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

PUBLIC EMPLOYEE APPOINTMENT

(Government Code §54957)

Title:

- PUBLIC EMPLOYMENT**
(Government Code §54957)

Title:

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

(Specify position title of the employee being reviewed):

Title:

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

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

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

Agency designated representative: Anne Olsen
Employee organization: NUHW

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

Agency designated representative:
Unrepresented employees

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

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

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

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

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

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

- HEARINGS/REPORTS**
(Evidence Code Sections 1156 and 1157.7; Health and Safety Code Section 32106)

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

1. Report – Credentials

- CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED**

BY FEDERAL LAW (Government Code §54956.86)

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

ADJOURN TO OPEN SESSION



Hazel Hawkins
MEMORIAL HOSPITAL

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

THURSDAY, FEBRUARY 26, 2026

5:00 P.M.

MINUTES

Directors Present

Bill Johnson, Board Member
Devon Pack, Board Member
Josie Sanchez, Board Member

Directors Absent

Victoria Angelo, Board Member
Nick Gabriel, Board Member

Also Present

Mark Robinson, Chief Financial Officer
Amy Breen-Lema, VP Ambulatory & Physician Services
Suzie Mays, Vice President, Information & Strategic Services
Heidi A. Quinn, District Legal Counsel

Absent

Mary Casillas, Chief Executive Officer
Karen Descent, Chief Nursing Officer

1. Call to Order/Roll Call

Director Johnson called the meeting to order at 5:00 PM. A quorum was present, and attendance was taken by roll call. Directors Johnson, Pack, and Sanchez were present. Directors Angelo and Gabriel were absent.

2. Board Announcements

Director Johnson commended Tim VonUrff for a great job he is doing with all the projects. Director Johnson also made a clarification on the letter submitted to Benito Link by National Union of Healthcare Workers. CEO, Mary Casillas did not receive an 11% increase to her salary; she received a 3% Cost of Living Adjustment, along with all other employees, and 8% as part of the incentive package.

3. Public Comment

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

4. Consent Agenda - General Business

A. Consider and Approve Minutes:

- Regular Meeting of the Board of Directors – January 22, 2026.

B. Receive Committee Minutes:

- Patient Satisfaction Committee – August 21, 2025
- Patient Satisfaction Committee – November 20, 2025
- District Bylaws / Policies and Procedure Committee – January 13, 2026

C. Receive Officer/Director Written Reports - No action required.

- Physician Services & Clinic Operations
- Skilled Nursing Facilities (Mabie Southside/Northside)
- Laboratory and Radiology
- Foundation
- Public Relations
- PMO Project Summary Report

D. Consider and Approve Policies:

- Updating Renamed (Board Member Handbook)
- Absence of CEO
- Ethics and Education Training
- Board Member Expenditure Reimbursement Renamed (San Benito Health Care District Board Member Expenditure Reimbursement)
- Meeting of Directors
- Compounding – Personnel Sterile Training and Evaluation – New
- Compounding – Environmental Monitoring: Surface and Air Sampling – Revised
- Compounding – Facility: Sterile Compounding Facility – Revised
- Compounding – Personnel: Competence for Sterile Compounding – Revised
- Alcohol Withdrawal Syndrome Medication Management – New
- Tranexamic Acid Administration Policy and Procedure for Trauma Patients - New
- Post-Exposure Shuttering, Cropping, and Electronic Masking in Diagnostic Imaging Policy – Revised
- Utilization of Contrast Media in Diagnostic Imaging - Revised
- Administration of Gadolinium-Based Contrast Agents – Revised
- Blood and Blood Products Administration – Revised

E. Consider and Approve Archival of Policies:

- District Finance Committee Charter
- District Networking Committee Charter
- District Planning and Facilities Committee Charter
- Joint Conference Committee Charter
- Patient Safety Program

F. Consider and Approve Privileges:

- SNF Medicine Privileges (Revised)
 - Physician Assistant Privileges – Clinic Medicine (New)
 - Nurse Practitioner Privileges – Clinic Medicine (New)
 - Psychiatric Mental Health Nurse Practitioner (PMHNP) (New)
-

MOTION: By Director Sanchez to approve the Consent Agenda – General Business, Items (A-F); Seconded by Director Pack.

Moved/Seconded/ Carried. Ayes: Directors Johnson, Pack, and Sanchez. Approved 3-0-2 by roll call; Directors Angelo and Gabriel were absent.

5. **Receive Informational Reports**

A. **VP, Ambulatory & Physician Services (Verbal Report)**

- Community Health and Provider Needs Assessment
- Culture of Safety Survey

Ms. Breen-Lema provided an update on the Community Health Needs Assessment. Results will be presented in March.

Employees have been provided with a Culture of Safety Survey, which will run through March 23, 2026.

An opportunity was provided for public comment; no public comment received.

B. **VP, Information & Strategic Services**

- Meditech Expense

Ms. Mays provided an update on Meditech Expense and said that everything is on time and on budget. Staff are engaged and will be provided training.

An opportunity was provided for public comment; no public comment received.

C. **Facilities and Finance Committee – January, 2026**

- Facilities Project Dashboard – January, 2026
- Financial Statements – January, 2026
- Finance Dashboard – January, 2026
- Supplemental Payments – January, 2026
- HCAI – Rural Health Transformation Program

Mr. Robinson provided his CFO report, which included an update on Facilities, financial statements, dashboard, supplemental payments, and HCAI Rural Health Transformation Program. These reports are included in the Board packet.

An opportunity was provided for public comment; no public comment received.

6. **Action Items**

A. **Consider and Approve Commercial Lease with Ceglia Properties, LLC – 5-Year Term in the amount of \$10,555.83 with a 2% Increase at Anniversary Date.**

An opportunity for public comment was provided; no public comment received.

MOTION: By Director Sanchez to Approve Commercial Lease with Ceglia Properties, LLC – 5-Year Term in the amount of \$10,555.83 with a 2% Increase at Anniversary Date, as amended with a change from Monterey County to San Benito County; Seconded by Director Johnson.

Moved/Seconded/ Carried: Ayes: Directors Johnson, Pack, and Sanchez. Approved 3-0-2 by roll call; Directors Angelo and Gabriel were absent.

- B. Consider and Approve Professional Service Agreement with Focus Physical Therapy and Gym Management Services, Inc. – 5-Year Term in the amount of \$105,194.00 per month with a 3% Increase on Anniversary Date.

An opportunity for public comment was provided; no public comment received.

MOTION: By Director Pack to Approve Professional Service Agreement with Focus Physical Therapy and Gym Management Services, Inc. – 5-Year Term in the amount of \$105,194.00 per month with a 3% Increase on Anniversary Date; Seconded by Director Sanchez.

Moved/Seconded/ Carried: Ayes: Directors Johnson, Pack, and Sanchez. Approved 3-0-2 by roll call; Directors Angelo and Gabriel were absent.

- C. Consider and Approve Master Service Agreement with Innova Revenue Group for a 3-Year Term.

An opportunity for public comment was provided; no public comment received.

MOTION: By Director Johnson to Approve Master Service Agreement with Innova Revenue Group for a 3-year term with a 2% Annual Increase; Seconded by Director Sanchez.

Moved/Seconded/ Carried: Ayes: Directors Johnson, Pack, and Sanchez. Approved 3-0-2 by roll call; Directors Angelo and Gabriel were absent.

- D. Consider and Approve Purchase of Weapons Detection System, Extract One, in the amount of \$138,276.64.

An opportunity for public comment was provided; no public comment received.

MOTION: By Director Pack to Approve Purchase of Weapons Detection System, Extract One, in the amount of \$138,276.64; Seconded by Director Johnson.

Moved/Seconded/ Carried: Ayes: Directors Johnson, Pack, and Sanchez. Approved 3-0-2 by roll call; Directors Angelo and Gabriel were absent.

- E. Consider and Approve Architectural Fee for Lab Remodel Phases 3 & 4 in the amount of \$831,315.

An opportunity for public comment was provided; no public comment received.

MOTION: By Director Pack to Approve Architectural Fee for Lab Remodel Phases 3 & 4 in the amount of \$831,315.00; Seconded by Director Sanchez.

Moved/Seconded/ Carried: Ayes: Directors Johnson, Pack, and Sanchez. Approved 3-0-2 by roll call; Directors Angelo and Gabriel were absent.

- F. Consider and Approve Incentive Goals for the Chief Executive Officer.

An opportunity for public comment was provided; public comment was received by Mr. Bernosky and Mr. Sweet.

MOTION: By Director Johnson to continue the item for discussion at next month's meeting; Seconded by Director Pack.

Moved/Seconded/ Carried: Ayes: Directors Johnson, Pack, and Sanchez. Approved 3-0-2 by roll call; Directors Angelo and Gabriel were absent.

G. Consider and Approve District Board Approval Policy.

An opportunity for public comment was provided: public comment was received by Mr. Sweet.

MOTION: By Director Johnson to Approve District Board Approval Policy as revised; Seconded by Director Sanchez.

Moved/Seconded/ Carried: Ayes: Directors Johnson, Pack, and Sanchez. Approved 3-0-2 by roll call; Directors Angelo and Gabriel were absent.

H. Public Hearing and Consideration of Resolution No. 2026-09 Modifying the NUHW Bargaining Unit at San Benito Health Care District Regarding Security Guards.

Director Johnson opened the public hearing. An opportunity for public comment was provided; no public comment was received. Closed public hearing.

MOTION: By Director Pack to Adopt Resolution No. 2026-09 Modifying the NUHW Bargaining Unit at San Benito Health Care District Regarding Security Guards; Seconded by Director Johnson.

Moved/Seconded/ Carried: Ayes: Directors Johnson, Pack, and Sanchez. Approved 3-0-2 by roll call; Directors Angelo and Gabriel were absent.

7. Public Comment

An opportunity for public comment on the closed session items was provided; no public comment received.

8. Closed Session

President Johnson announced the items to be discussed in the Closed Session, as listed on the posted Agenda:

a) Conference with Legal Counsel – Existing Litigation; Government Code §54956.9(d); PERB Case No. SF-CE-1937-M and b) Hearing/Report, Evidence Code Sections 1156 and 1157.7; Health and Safety Code Section 32106(b): Credentials Report.

The members of the Board entered into a closed session at 6:57 p.m.

9. Reconvene Open Session/Closed Session Report

The Board of Directors reconvened to open session at 7:23 p.m.

10. Closed Session Report

Counsel reported that the Board met regarding two (2) items:

As to the matter of existing litigation, the Board received a report and provided direction, but no reportable action was taken.

As to the Credential report, on Motion of Director Johnson, and second by Director Sanchez, the report was unanimously approved by Directors Johnson, Sanchez, and Pack.

11. Adjournment:

There being no further regular business or actions, the meeting was adjourned at 7:24 p.m.

The next Regular Meeting of the Board of Directors is scheduled for Thursday, March 26, 2026, at 5:00 p.m.





Hazel Hawkins
MEMORIAL HOSPITAL

To: San Benito Health Care District Board of Directors
From: Amy Breen-Lema, Vice President, Clinic, Ambulatory & Physician Services
Date: March 9, 2026
Re: All Clinics – February 2026

February 2026 Rural Health and Specialty Clinics' visit volumes

Clinic Location	Total visits current month	Total visits prior month (January 2026)
Orthopedic Specialty	494	506
Multi-Specialty	574	604
Sunset	819	853
Surgery & Primary Care	269	335
San Juan Bautista	340	311
1st Street	542	666
4th Street	911	1,113
Barragan	611	650
Total	4,560	5,038

- Provider recruitment activities with anticipated start dates by specialty:
 - Pediatrics: Dr. George Cuming – March 2026 (*locum tenens*)
- Jamie Salas, Registered Dietitian, joined the diabetic care team in February to fill a long-standing need for dedicated diabetes and nutrition education services across the clinics. This position had been vacant for the past few years, and the addition of this role has significantly strengthened our ability to provide comprehensive nutritional management and diabetic education, counseling, and support. Jaime has demonstrated strong clinical knowledge and an excellent ability to communicate with our Spanish-speaking population, helping patients feel comfortable and engaged in their care. Patient feedback since his start has been very positive, and the service has been well received throughout the clinics.
- Dr. Katherine Volpe, Urogynecologist, began providing services in February, establishing a new urogynecology service line for our community. Demand for the service has been high, with full schedules since her start, and patient feedback has been overwhelmingly positive.



Hazel Hawkins
 MEMORIAL HOSPITAL
 Mabie Southside/Northside Skilled Nursing Facility
 Board Report – March 2026

To: San Benito Health Care District Board of Directors

From: JayLee Davison, Interim Director of Nursing, Skilled Nursing Facility

1. Census Statistics: February 2026

Southside	2026	Northside	2026
Total Number of Admissions	13	Total Number of Admissions	6
Number of Transfers from HHH	11	Number of Transfers from HHH	3
Number of Transfers to HHH	6	Number of Transfers to HHH	2
Number of Deaths	0	Number of Deaths	1
Number of Discharges	14	Number of Discharges	2
Total Discharges	14	Total Discharges	3
Total Census Days	1233	Total Census Days	1276

Note: Transfers are included in the number of admissions and discharges. Deaths are included in the number of discharges. Total census excludes bed hold days.

2. Total Admissions: February 2026

Southside	From	Payor	Northside	From	Payor
5	HHMH	Medicare	1	HOME	CCA
1	HHMH	CCA	3	HHH	MEDICARE
1	HHMH Re-Admit	Medicare	1	HOME	BRIDGE
1	HHMH ER Visit	Medicare	1	PACIF HILLS/SNF	CCA
1	HHMH ER Visit	CCA			
2	HHMH- Re-Admit	CCA			
1	Good Samaritan	MA			
1	Natividad Re-Admit	MA			
Total: 13			Total: 6		

3. Total Discharges by Payor: February 2026

Southside	2026	Northside	2026
Medicare	10	Medicare	1
Medicare MC	0	Medicare MC	0
CCA	4	CCA	1
Medical	0	Medical	0
Medi-Cal MC	0	Medi-Cal MC	0
Hospice	0	Hospice	1
Private (self-pay)	0	Private (self ay)	0
Insurance	0	Insurance	0
Total:	14	Total:	3

4. Total Patient Days by Payor: February 2026

Southside	2026	Northside	2026
Medicare	260	Medicare	110
Medicare MC	0	Medicare MC	0
CCA	870	CCA	954
Medical	28	Medical	56
Medi-Cal MC	0	Medi-Cal MC	0
Hospice	47	Hospice	150
Private (self-pay)	28	Private (self-pay)	0
Insurance	0	Insurance	0
Bed Hold / LOA	24	Bed Hold / LOA	6
Total:	1257	Total:	1,276
Average Daily Census	44.89	Average Daily Census	45.57



Hazel Hawkins MEMORIAL HOSPITAL

To: San Benito Health Care District Board of Directors
From: Bernadette Castronuevo, Director of Laboratory and Diagnostic Imaging Services
Date: March 2026
Re: Laboratory and Diagnostic Imaging

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Updates:

Laboratory

1. Quality Assurance/Performance Improvement Activities
 - Update on chemistry analyzer project → Interface validation on going.
 - Phase 2B construction update → Phase 2A completed. Lab supplies in new storage room. Phase 2B started and estimated to be completed on 4/2026.
2. Laboratory Statistics

	February 2026	2026 YTD
Total Outpatient Volume	4197	8923
Main Laboratory	1254	2652
Mc Cray Lab	908	1989
Sunnyslope Lab	413	888
SJB and 4 th Street	103	201
ER and ASC	1519	3193
Total Inpatient Volume	172	302

Diagnostic Imaging

1. Quality Assurance/Performance Improvement Activities
 - New DR plate ordered
 - Multi-purpose trailer pad project started by Treanor
 - Imaging space planning meeting resumed
2. Diagnostic Imaging Statistics

	February 2026	2026 YTD
Radiology	1942	3964
Mammography	654	1245
CT	914	2027
MRI	196	395
Echocardiography	102	207
Ultrasound	677	1493



TO: San Benito Health Care District Board of Directors
FROM: Liz Sparling, Foundation Director
DATE: March 2026
RE: Foundation Report for February/March

The Foundation Board of Directors met on March 12 and had one presentation:

- Dr. Natalie LaCorte gave an update on the End-of-Life Services Program at HHMH and request additional funds for the program. The Program gives out blankets, and a “heartbeat in a bottle” to families whose family members are at end-of-life. The program has been very well received by patient family members.

Finance Committee

a. Financial Report	February
1. Income	\$ 6,198.48
2. Expenses	\$ 122,337.09
3. New Donors	6
4. Total Donations	223

Allocations:

1. Up to \$5,000 for the End-Of-Life Services at HHMH

Directors Report:

- Completed the Tranquility Rooms at each Skilled Nursing Facility and had a small tour and reception. These rooms are a therapeutic environment designed specifically for our dementia, Alzheimer's disease, and cognitively impaired residents to reduce stress, anxiety, and agitation while promoting resident well-being at Hazel Hawkins Memorial Hospital's Skilled Nursing Facilities.
- Our All for 1 Employee Giving Campaign will run the month of April. This is a campaign where we ask employees to pledge gifts through payroll deduction. Last year we had 78 participants pledging \$ 66,110. Employees can designate to their department too.
- Dr. LaCorte, Frankie and I are working on an insert to put in the end-of-life services bag that is given out that mentions our Foundation.
- Met with Amy and went over the equipment requests for the Departments. I am working on getting a list together to present to our Foundation Board.
- The ER chairs have been delivered and they look great! They will be placed shortly.

Fundraising/Development Committee

- To date, the Foundation has received 2,831 donations totaling \$1,554,649.69

Scholarship Committee

- We have received a few applications. They are due by April 1, 2026. The Foundation plans to allocate around \$20K this year.

MARKETING

• **Social Media Posts**

FACEBOOK

Preview	Views	Viewers	Interactions	Net follows	Impressions
 The main hospital lab will b... Published • Yesterday at 6:30 AM	207	155	1	0	165
 The main hospital lab will b... Published • Mar 17 at 5:00 PM	336	226	2	0	238
 May your pockets be heavy ... Published • Mar 17 at 2:13 PM	349	206	15	0	216
 HHH Foundation Scholarshi... Published • Mar 17 at 2:02 PM	223	145	3	0	156
 HHH AUXILIARY SCHOLARS... Published • Mar 17 at 2:01 PM	315	232	5	0	241
 The main hospital lab will b... Published • Mar 16 at 1:07 PM	2,020	1,360	6	0	1,451
 Thanks to our wonderful Ha... Published • Feb 25 at 8:57 AM	2,858	1,711	42	1	1,910
 Exceptional women's health ... Published • Feb 19 at 10:00 AM	4,272	2,076	59	0	3,872

NEXTDOOR - Ads

Impressions: **3,635**

Women's Health Services



Impressions: **3635**

Clicks: **14**

4

EMPLOYEE ENGAGEMENT

Employees:

- Hazel's Headlines
- Employee Years of Service Recognition program
- Casual for a Cause - Greens & Jeans - Celebrating St. Patrick's Day
- Goodie Bags for St. Patrick's Day
- Celebrated Oreo Cookie Day with free cookies in the cafeteria

MEDIA

Press Release:

- Mabie Skilled Nursing Facilities Open New Tranquility Rooms

COMMUNITY

Public:

- Working with Jeffrey Scott Agency on community interviews for Rebranding project
- Donated 500 first aid kits to Visit San Benito for their Condor Gravel Challenge bike ride event.
- Participated in table top disaster drill with OES on 3/10

Project Dashboard - March 2026 Board

Project Name	Purpose	Start Date	Go Live	Duration	Status	Priority	HCAI	Key Stakeholder	Role	Update
Inovalon	Nurse Scheduling Software	12/6/2024	4/1/2026	481	In Progress	Low		Jac Fernandez	Senior Director of Acute Care Services	Finalizing workflows with department directors
HUGS/Securitas	Infant Security	4/12/2024	5/1/2026	749	In Progress	High		Jac Fernandez	Senior Director of Acute Care Services	Received HCAI SC (substantial completion) HUGS vendor onsite week of 3/31-4/2 to tune devices. Then Go live planning can begin with nursing/security staff.
BD Installation	New Pyxis Machines	12/4/2024	3/1/2026	452	Completed	Medium		Naveen Ravela	Pharmacy Director	Received HCAI CF (construction final). Old pyxis removed and pending closeout paper work from HCAI.
BD Pharmacy Keeper	IV Compounding Verification	11/14/2024	TBD		In Progress	High		Naveen Ravela	Pharmacy Director	Ongoing technical meetings with BD and Meditech
Lab Remodel	Lab Phase 1: Analyzer Validation		2/1/2026		Completed	High		Bernadette Enderez	Lab/Radiology Director	Project is closed out and has been rolled into phase 2.
Lab Remodel	Lab Phase 2: Analyzer Replacement	6/3/2024	5/1/2026	697	In Progress	High		Bernadette Enderez	Lab/Radiology Director	Phase 2A received HCAI SC (substantial completion) pending adding chime/strobe to restroom to receive final closeout for this milestone. Phase 2B has started, starting to coordinate with ABBOTT for analyzer installation
Lab Remodel	Lab Phase 3/4: Remodel	3/1/2026		TBD	Ongoing			Bernadette Enderez	Lab/Radiology Director	Architectural proposal has been signed. Planning meetings will resume with design anticipated to take duration of '26. Bidding and construction not until 2027.
OR Remodel	Updating OR per OSHPD Requirements	11/20/2024	12/31/2026	771	Ongoing	High		Mendi Suber-Ventura	Director of Surgical Services	CDPH waiver has been extended until JAN 2027.

Project Dashboard - March 2026 Board

Seismic	Upgrade to Meet HCAI Seismic Compliance & Safety Standards	11/1/2025	1/1/2033	Ongoing	High	Jorge Ramirez	Senior Director Support Services	Projects have been submitted to HCAI for review. Geotech work for soil sampling to aid in seismic desing expected to happen early '26. MT/CAP could happen fall '26 or early '27.
MRI Upgrade	Proposal submitted	TBD	TBD	On Hold	Low	Bernadette Enderez	Lab/Radiology Director	Proposal submitted
*Radiology Masterplan	Assessment of equipment and remodel	11/1/2025	TBD	On Hold	High	Bernadette Enderez	Lab/Radiology Director	Meeting to be scheduled to discuss requirements restarted 3/12/26
*Imaging Trailer Pod Make Ready	Treanor to help when MP starts	3/1/2026	TBD	In Progress	Medium	Bernadette Enderez	Lab/Radiology Director	Architectural proposal approved. Pending HCAI design submission
*Verkada	Security / SSO + Door Access	3/11/2025	TBD	In Progress	High	Jorge Ramirez	Senior Director Support Services	HCAI building permit has been issued. IOR selected. Planning for work between General contractor and the vendors to coordinate install. Meeting scheduled for end of march with installation aiming for end of April or beginning of May.
Sterilizer Replacement	installation of new AMSCO 400 48 SD equipment for Sterile Processing Department	9/16/2025	11/1/2026	In Progress	High	Mendi Suber-Ventura	Director of Surgical Services	Bids due 3/18. After selection sent to legal for review. Aiming to start construction May/June.
Focus Sports Therapy	Renovate and expand Focus sports therapy clinic	7/1/2025	TBD	On Hold	Medium	Jorge Ramirez	Senior Director Support Services	Ongoing schematic design with architects and Focus PT team.
Physical Therapy Clinic Remodel	Expanding current location to help with ongoing demand	6/1/2025	TBD	On Hold	High	Jun Estrada	Director of Physical Therapy	Looking to perform feasibility study of the new location

Project Dashboard - March 2026 Board

Soleran	Replace current engineering ticketing system	1/1/2025	9/29/2025		In Progress	Medium		Jorge Ramirez	Senior Director Support Services	Go Live was 9/29 for corrective work orders. Preventative and Planned Work Orders in progress.
ED Helipad	System is an AFFF system and no longer allowed in CA. Is required to be phased out due to being a hazardous chemical.	5/27/2025	6/1/2026	370	In Progress	High		Jorge Ramirez	Senior Director Support Services	Regular (\$) project has been submitted, construction will start after HCAI approval. Pending City Of Hollister approval and release of MOP between Hollister Fire Dept and HHMH.
Nurse Call System	Replace	9/10/2024	TBD		On Hold	High		Jac Fernandez	Senior Director of Acute Care Services	Pricing details collected and presented for review.
Immware Employee Health Software	Streamline employee health tracking, automate compliance reporting & improve visibility of immunizations, exposures, & health screenings.	6/27/2025	1/15/2026	202	In Progress	High		Elizabeth Von Urff	Director, Employee Health/WC	Go live was 1/15/26. Currently working on data validation and correction to ensure accuracy.
Tranquility Rooms	Dedicated therapeutic low sensory rooms at William & Inez Mabie Northside and Southside Skilled Nursing Facilities.	7/24/2025	TBD		In Progress	High		Liz Sparling	Director Foundation	Tranquility rooms nearing completion. Open House scheduled for March 18.
Meditech Expense MaaS Implementation	Electronic Health Record	9/17/2025	7/1/2026	287	In Progress	High		Suzie Mays	VP, Information and Strategic Services	Dictionary build and training in progress. Meetings in progress for interfaces. Mock live planned for 5/12-5/14 and 5/19 - 5/21.
CT Scanner	Replace	TBD	TBD		On Hold	High		Bernadette Enderez	Lab/Radiology Director	Both CT's that we have need repairs.
Northside Flooring	Replace kitchen flooring at the Northside SNF	1/1/2026	TBD		In Progress	High		Jaylee Davison	Interim Director of Nursing - (SNF)	Architectural and Contractor Flooring Vendor proposals approved. Project submitted to HCAI end of March. Internal Logistics planning ongoing
Galen Healthcare Solutions	Galen will archive eCW data that cannot be migrated to Meditech Expense.	8/13/2025	TBD		In Progress	Medium		Salomon Mercado	Director Information Technology	Validation kick-off scheduled for March 23.

Project Dashboard - March 2026 Board

TASK STATUS %		COUNT	%
Not Started		0	0%
In Progress		12	52%
Overdue		0	0%
On Hold		6	26%
Ongoing		3	13%
Completed		2	9%
TOTAL		23	100%

PROJECT PRIORITY %		COUNT	%
High		16	73%
Medium		4	18%
Low		2	9%
TOTAL		22	100%

PENDING ITEMS	
Decisions	
Actions	
Change Requests	2

estimated go-live	
planned go live	
possible new/not started	



MEMORANDUM

To: Board of Directors
From: Suzie Mays
Vice President, Information & Strategic Services
Date: March 17, 2026
Re: Policies for Approval

Please find below a list of policies with a summary of changes for Board of Director approval. All revised policies are available for review upon request. New policies are included in the packet.

Artificial Intelligence (AI) and Ambient Listening Policy	New Policy.
Information Technology Acceptable Use Policy	Revised to update for using artificial intelligence or generative tools.
Compounding – Environmental Monitoring Incubators	Revised to add more appropriate information, such as location, temperature requirements, monitoring, etc.
Pharmacy Standard Operating Procedure Review and Maintenance	New policy.
Weapons Detection	New policy.



Artificial Intelligence (AI) and Ambient Listening Policy

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Revision Insight

Document ID:	12576
Revision Number:	1
Owner:	Salomon Mercado, IT Director
Revision Official Date:	No revision official date

Revision Note:

Approved by Suzie Mays on 2/26/26 and Policy Committee on 3/5/2026. Removing CMIO from that version and submitting to Board of Directors.

Policy : Artificial Intelligence (AI) and Ambient Listening Policy

PURPOSE

Establish standards for ethical, transparent, safe, and compliant use of Artificial Intelligence (AI)—including ambient listening, automated documentation, and decision-support—at San Benito Healthcare District (SBHCD) and affiliated entities.

Ensure AI supports clinical care, quality, equity, and operational efficiency while preserving clinical judgment, patient autonomy, privacy, security, and data integrity.

Align with and operationalize requirements under the Center for Medicaid & Medi-Cal Services (CMS) Conditions of Participation (42 CFR Part 482), California Department of Public Health (CDPH) Title 22, California Health & Safety Code § 70707 and §§ 24170-24179.5, Confidentiality of Medical Information Act (CMIA) (California Civil Code §§ 56-56.37), Health Insurance Portability and Accountability Act (HIPAA) Privacy and Security Rules (45 CFR Parts 160 & 164) and the Health Information Technology for Economic and Clinical Health (HITECH), The Joint Commission standards (TJC), Office of Inspector General (OIG) General Compliance Program Guidance, Department of Justice (DOJ) Compliance Guidance, National Institute of Standards and Technology (NIST) AI Risk Management Framework, International Organization for Standardization and International Electrotechnical Commission (ISO/IEC 42001), and other applicable federal and state laws.

SCOPE

Applies to all workforce members, licensed independent practitioners, volunteers, students, contractors, vendors, and business associates who design, acquire, deploy, access, or oversee AI systems for the San Benito Health Care District (SBHCD).

Systems covered: ambient listening/AI scribe, generative AI, predictive analytics, decision-support, automation, and AI embedded within third-party products and services.

DEFINITIONS

- **Artificial Intelligence (AI):** Machine-based systems that analyze data, generate content, or produce predictions/recommendations influencing decisions or operations.
- **Ambient Listening / AI Scribe:** Technology that captures and processes in-person or virtual patient-clinician conversations to generate draft clinical documentation.
- **Generative AI:** Models that produce new content (text, images, audio, code) based on training data and/or prompts.
- **Protected Health Information (PHI):** Individually identifiable health information as defined in 45 CFR § 160.103.

- De-identification: Removal of identifiers consistent with 45 CFR § 164.514(b) (Expert Determination or Safe Harbor).
- Business Associate (BA): As defined by HIPAA (45 CFR § 160.103); includes vendors handling PHI on HHMH's behalf.
- AI Data Lifecycle: Data capture, ingestion, processing, storage, transmission, use, sharing, retention, and deletion.
- High-Risk AI: AI that can materially affect patient safety, legal rights, access to or payment for care, or significant operational outcomes.

POLICY

SBHCD supports responsible AI use to enhance care and efficiency while maintaining clinical oversight, patient trust, safety, equity, and compliance.

AI shall not independently render diagnoses, prescribe, make autonomous treatment decisions, or replace required clinician authorship/attestation of medical record documentation.

All AI uses cases and tools must be inventoried, risk-assessed, and approved by the AI Oversight Committee prior to pilot or production; material changes require reapproval.

AI use must comply with HIPAA/CMIA, California Hospital Association (CHA) consent standards, applicable TJC elements, and internal Privacy, Security, Compliance, Risk Management, Information Technology (IT), and Vendor Risk policies.

GOVERNANCY AND OVERSIGHT

1. AI Oversight Committee (subcommittee of IT Governance and Compliance):

- Responsibilities:
 - Approve AI use cases and tools before implementation (including pilots).
 - Classify risk tier (low/medium/high) and determine safeguards proportionate to risk.
 - Require and review predeployment AI Impact/Risk Assessments (privacy, security, safety, bias, explainability, operational risk), including data protection impact assessment (DPIA) where applicable.
 - Review performance, incidents, and monitoring reports at least quarterly.
 - Approve patient-facing disclosures and consent language.
 - Oversee annual training and policy review.
- Composition: Clinical leadership, Chief Nursing Office (CNO), Compliance, Privacy, Security, Risk Management, Legal/Procurement, Health Information Management (HIM), Quality/Patient Safety, IT, and Diversity, Equity and Inclusion (DEI).

2. Compliance, Privacy, and Security

- Maintain AI System Inventory and a system of record for approvals, risk assessments, vendor due diligence, Business Associate Agreements (BAAs), data flows, model/data lineage, and monitoring logs.
- Ensure HIPAA/CMIA compliance, crossborder transfer assessment, minimum necessary, rolebased access, and multifactor authentication.

- Conduct periodic audits; coordinate incident response and regulatory reporting.
- Information Security will verify compliance to this policy through various methods, including but not limited to, periodic walk-throughs, video monitoring, business tool reports, internal and external audits, and inspection, and will provide feedback to the policy owner and appropriate business unit manager.
- Any exception to the policy must be approved and documented by Information Security in advance.
- An employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

3. Vendor and Third-Party Management

- Vendors handling PHI must execute BAAs defining permitted uses/disclosures, subprocessors, data localization/transfer terms, retention/deletion, incident notification timelines, cooperation duties, and audit rights.
- Complete security and AI risk due diligence (including training data provenance/Internet Protocol (IP) warranties, model behavior/safety testing summaries, and System and Organization controls (SOC 2)/Health Information Trust Alliance (HITRUST) or equivalent).
- Require transparency artifacts (e.g., model cards, data sheets, performance/bias metrics) commensurate with risk.

PATIENT NOTICE, CONSENT, AND COMMUNICATIONS

1. Notice and Disclosure (in alignment with CHA Consent Manual; CA H&S Code §§ 24170-24179.5; Title 22 § 70707(a)(5); CMIA):

- Inform patients when AI or ambient listening will be used for documentation/monitoring, including: purpose, what is captured (audio, transcripts, metadata), where/how data is stored, security safeguards, who has access (including vendors), any cross-border transfers, and patient rights (decline/withdraw without impact on care or billing).
- For telehealth/phone encounters, comply with California two-party consent laws for recordings (Cal. Penal Code §§ 631, 632) and provide verbal notice prior to activation.

2. Consent

- Obtain specific, informed consent prior to activation; document in the Electronic Health Record (EHR) (“AI Consent”) separate from general treatment consent.
- Patients may withdraw consent at any time; document withdrawal and cease AI capture immediately.
- Provide language access and accessibility accommodations consistent with Section 1557 and SBHCD Limited English Proficiency (LEP) policies.

3. Generative AI in Patient Communications

- If AI generates written, audio, video, or chat communications that are not fully clinician-composed, prominently disclose AI assistance and provide clear instructions for contacting a human clinician or staff member.

- If a licensed or certified clinician fully reviews, edits, and attests to AI-generated communications as their own professional communication, the disclosure requirement may be waived; maintain internal provenance.
- Ensure plain language, accuracy, and cultural/linguistic appropriateness; no automated medical advice without clinician oversight.

4. Using Artificial Intelligence (AI) or Generative Tools

- Downloading, installing, or accessing any artificial-intelligence (AI), generative-AI, or ambient-listening applications (including browser extensions, mobile apps, or online platforms) on hospital-owned or connected devices without prior approval from Information Technology.
- Use of unapproved AI tools to create, process, or transmit hospital data, Protected Health Information (PHI), or Personally Identifiable Information (PII) is strictly prohibited.
- Approved AI systems must comply with the Artificial Intelligence and Ambient Listening Policy and all applicable HIPAA and hospital privacy and security requirements.

5. Minors and Special Populations

- Obtain parent/guardian consent unless the minor is legally emancipated or otherwise permitted to self-consent under California law; verify and document self-consent eligibility.
- For sensitive services where California law permits minors to consent to their own care, follow applicable minor consent and confidentiality protections. Examples include, but are not limited to: sexual and reproductive health services, STI diagnosis or treatment, mental health counseling where self-consent is permitted, substance use disorder treatment, sexual assault services, and HIV testing or treatment.

6. Signage (ambient listening areas)

- Post clear signage: “This area uses secure voice-capture technology to assist clinicians with documentation. Your privacy is protected under state and federal law. You may decline at any time.”

SAFEGUARDS AND USE REQUIREMENTS

1. Privacy and Security

- HIPAA Security Rule safeguards (administrative, physical, technical) and CMIA apply; encrypt PHI in transit and at rest; apply least privilege and Multi-Factor Authentication (MFA).
- Prohibit entry of PHI into public, non-contracted AI tools; use approved, enterprisemanaged solutions only.
- Apply NIST Secure Software Development Framework (SSDF)/secure Software Development Life Cycle (SDLC) to AI features; protect against prompt injection, data leakage, model theft, and abuse with input/output filtering, rate limiting, and isolation where appropriate.

2. Clinical Oversight and Documentation

- Clinicians must review, edit as needed, and authenticate all AI-generated documentation prior to inclusion in the legal medical record; maintain authorship and accountability.
- Do not use AI to upcode, alter clinical facts, fabricate content, or bypass medical necessity requirements; HIM/Compliance will audit for accuracy and potential aberrant coding patterns.

3. Data Retention and Deletion

- Raw audio deleted within 24 hours of encounter closure or immediately after clinician validation, whichever occurs first; document deletion events.
- Draft text retained only until note is signed; AI “working files” are not part of the legal medical record unless incorporated.
- Honor patient requests regarding deletion of nonrecord AI artifacts, consistent with HIPAA, CMIA, and Title 22 § 70707(b), and legal hold requirements.

4. Audit Trails and Provenance

- Log user identity, activation/deactivation times, consent status, datasets/models used, and deletion confirmations.
- Record AI assistance metadata (e.g., note sections, timestamps) using EHR provenance capabilities (e.g., Health Level 7 (HL7) Fast Healthcare Interoperability Resources (FHIR) Provenance/Attribution) where feasible.
- Compliance/Privacy review audit logs at least quarterly.

5. Bias, Equity, and Safety

- Evaluate models for performance, bias/fairness, and health equity impacts per NIST AI Risk Management Framework (AI RMF) and Coalition for Health AI (CHAI) guidance; test across relevant demographics and languages.
- Implement mitigations and monitor postdeployment for drift, errors, and disparate impact; escalate material issues to the AI Oversight Committee and Quality/Patient Safety.

6. Training and Awareness

- Annual mandatory training for all users on HIPAA/CMIA, acceptable AI use, privacy/security, bias mitigation, prompt hygiene, and incident reporting; rolebased deep dives for clinical leaders, developers, and approvers.

7. Data Governance and IP

- Use only appropriately licensed datasets; document data sources, permissions, and restrictions.
- Apply deidentification per 45 CFR § 164.514(b) before using data for model development where feasible; maintain reidentification controls and governance.
- No external disclosure of AI outputs or artifacts containing PHI without proper authorization.

MODEL AND TOOL LIFECYCLE MANAGEMENT

- Preimplementation: Define use case, benefits, risks, human-in-the-loop controls, acceptance criteria, fallback/manual procedures, and patient impact; complete security review, DPIA (if needed), and legal review; create model and dataset documentation (model card, data sheet).
- Validation: Conduct accuracy, robustness, stress/adversarial, and bias testing; clinical validation for intended populations and settings; redteam testing for misuse/abuse scenarios.
- Deployment: Version control, change management, and rollback plans; enable monitoring for performance, drift, safety, abuse, latency, and error rates; define thresholds and alerts.
- Operations: Periodic revalidation; document retraining, updates, and material changes; maintain uptime/Service Level Agreement (SLA) targets; conduct user feedback loops and quality audits.
- Decommissioning: Formal retirement plan; archive necessary artifacts; communicate changes to users; ensure secure disposal of data and models per retention policy.

INCIDENT REPORTING AND RESPONSE

- Report suspected AI malfunction, harmful output, privacy/security incident, bias/disparate impact, or patient complaint within 24 hours via the Incident Reporting System and notify Compliance.
- Investigate per the Data Breach Response Policy; follow HIPAA Breach Notification Rule (45 CFR § 164.400 et seq.), CMLA, and any contractual notice requirements.
- Document root cause, corrective actions, and lessons learned; update risk assessments and controls; notify affected patients and regulators as required.

EXCEPTIONS AND ENFORCEMENT

- Exceptions must be approved by the AI Oversight Committee with documented risk acceptance, compensating controls, and defined time limits.
- Violations may result in access restrictions, retraining, disciplinary action up to termination, and/or vendor contract termination; report to regulators as required.

CONTINUOUS IMPROVEMENT AND REVIEW

- The AI Oversight Committee will review this policy and all AI use cases at least annually and upon material regulatory/technology change.
- Incorporate new guidance from CMS, CDPH, OIG, DOJ, TJC, U.S. Department of Health and Human Services Office for Civil Rights (OCR/HHS), NIST, ISO/IEC, World Health Organization (WHO), and CHA.
- Updates require approval by executive leadership and the Board; retain documentation in Compliance Committee minutes.

REFERENCES (selected, authoritative)

- Federal and U.S. Health

- HIPAA Privacy and Security Rules: 45 CFR Parts 160 & 164
 - HITECH Act and Breach Notification: 42 U.S.C. §§ 17931-17954; 45 CFR § 164.400 et seq.
 - CMS Conditions of Participation for Hospitals: 42 CFR Part 482
 - Office of the National Coordinator for Health IT (ONC) Cures Act Final Rule and Information Blocking: 45 CFR Part 170 and Part 171
 - HHS/OCR Guidance on HIPAA and Use of Online Tracking Technologies (2023/2024)
 - OIG General Compliance Program Guidance (2023)
 - DOJ Criminal Division, Evaluation of Corporate Compliance Programs - Emerging Tech Update (2024)
 - NIST AI Risk Management Framework (AI RMF 1.0, 2023) and Playbook
 - NIST Cybersecurity Framework 2.0 (2024); NIST SP 80053 Rev. 5; NIST SP 800218 (SSDF)
 - Food and Drug Administration (FDA) Good Machine Learning Practice for Medical Device Development (GMLP) (2021)
- California
 - California Department of Public Health, Title 22: Hospital Licensing
 - California Health & Safety Code § 70707 (Patient Rights); §§ 24170-24179.5 (Human Subjects Protection)
 - California Confidentiality of Medical Information Act (CMIA): Cal. Civil Code §§ 56-56.37
 - California Invasion of Privacy Act (twoparty consent for recordings): Cal. Penal Code §§ 631, 632
 - California Dept. of Public Health (2025). AI in Health Care Services: CA Health & Safety Code §1339.75
 - California Hospital Association. Consent Manual (2025 Update)
- Accreditation and Professional Guidance
 - The Joint Commission. Comprehensive Accreditation Manual for Hospitals (Information Management and Record of Care)
 - Coalition for Health AI (2024). Blueprint for Trustworthy AI in Healthcare
 - World Health Organization (2023). Ethics and Governance of AI for Health
 - ISO/IEC 42001:2023 – AI Management System Requirements
 - ISO/IEC 27001:2022 – Information Security Management (as applicable to vendors/ISMS)
 - HL7 FHIR Provenance/Attribution resources (for clinical documentation provenance best practices)
- Intellectual Property and Data Use
 - U.S. Copyright Office guidance on AI-generated works (as applicable)
 - Dataset licensing terms and contractual IP warranties (vendorspecific)
- Lucidoc
 - Information Technology Acceptable Use Policy (DocID 12319)



Pharmacy Standard Operating Procedure Review and Maintenance

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Approvals

- Committee Approval: Policy Committee approved on 3/5/2026
 - Committee Approval: Pharmacy & Therapeutics approved on 12/16/2025
-

Revision Insight

Document ID:	12444
Revision Number:	0
Owner:	Edwin Florendo,
Revision Official Date:	No revision official date

Revision Note:
No revision note

Policy : Pharmacy Standard Operating Procedure Review and Maintenance

PURPOSE

To ensure all standard operating procedures (SOPs) related to compounding and facility operations are accurate, up to date, and reflect current practices in compliance with USP <797> and applicable state and federal regulations.

POLICY

All SOPs must be reviewed upon initial implementation and at least every 12 months thereafter by the pharmacist-in-charge and/or designated person(s). The review shall be documented. Any revisions to SOPs must be completed and approved only by the pharmacist-in-charge and/or designated person(s) and shall be documented accordingly. All updates must be communicated to relevant personnel, and receipt of communication must be acknowledged in writing by each individual.

DEFINITIONS

None

PROCEDURE

- Each SOP shall be reviewed by the pharmacist-in-charge and/or designated person upon implementation and annually thereafter.
- Documentation of review shall include the date of review, name of the reviewer(s), and any decisions made regarding the current applicability of the SOP.
- When revisions are needed, the pharmacist-in-charge and/or designated person(s) shall update the SOP, note the changes, and retain the previous version in accordance with facility document control procedures.
- All changes shall be communicated to all personnel involved in the processes affected by the SOP.
- Acknowledgment of receipt and review must be signed and dated by all personnel involved.
- Records of SOP reviews, revisions, and staff acknowledgements shall be maintained by the pharmacist-in-charge and/or designated person.

REFERENCES

United States Pharmacopeia. USP General Chapter <797> Pharmaceutical Compounding—Sterile Preparations. USP Convention; 2023.

California Board of Pharmacy. California Code of Regulations, Title 16, Division 17, Article 4.5, §§1735-1735.8. Effective October 1, 2025. Accessed July 2025.
https://www.pharmacy.ca.gov/laws_regs/1735_38_oa.pdf

AFFECTED DEPARTMENTS

Pharmacy

Document ID	12444	Document Status	Pending Committee Approval
Department	Pharmacy	Department Director	Ravela, Naveen
Document Owner	Florendo, Edwin	Next Review Date	
Keywords	STANDARD OPERATING PROCEDURE, SOP		

Attachments:

(REFERENCED BY THIS DOCUMENT)

Other Documents:

(WHICH REFERENCE THIS DOCUMENT)

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<http://hzh-iis.hazelhawkins.com/?returnto=%2Fcgi%2Fdoc-gw.pl%3Fref%3Dhhmh%3A12444%240>.



Weapons Detection and Screening Policy

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Approvals

- Signature: Jorge Ramirez, Director of Emergency Management and Security signed on 3/17/2026, 12:07:27 PM
 - Signature: Jorge Ramirez, Director of Emergency Management and Security signed on 3/17/2026, 3:13:17 PM
-

Revision Insight

Document ID: 12584
Revision Number: 0
Owner: Dale Fors, Director of Emergency Management and Security
Revision Official Date: No revision official date

Revision Note:
New Policy for Security Department.



Policy : Weapons Detection and Screening Policy

PURPOSE

To establish a weapons detection and screening procedure for the San Benito Health Care District ("District") to detect prohibited and/or illegal weapons or contraband and provide a safe and secure environment for patients, visitors, staff and the community while reducing workplace violence.

POLICY

The District prohibits unauthorized weapons or contraband on its properties. To enhance safety and security, the District will implement weapons detection screening measures at designated public entrances. Screening measures will include the use of automated weapons detection technology, handheld detection devices when appropriate and will be staffed by trained security personnel. These systems must be designed to identify instruments capable of inflicting death or serious bodily injury.

In accordance with California Assembly Bill 2975, weapons detection systems and screening will:

- Be implemented in the main public entrance, emergency department entrance, and labor and delivery entrance if separately accessible.
- Be conducted and monitored by trained security personnel
- Be integrated into the hospital's workplace violence prevention plan
- Ensure patients are not denied emergency medical care
- Include Properly displayed signage
- Include procedures for individuals who decline screening
- Include procedures for responding to the discovery of a weapon

Except as permitted by law or explicitly authorized by hospital administration, weapons are prohibited within District buildings and on District grounds. Authorized exceptions may include law enforcement personnel or approved security personnel acting within the scope of their duties.

All employees, patients, visitors, and contractors are expected to comply with the District's weapons detection and screening policies and procedures. All are expected to cooperate with security personnel while on district property and when entering district facilities during the weapons detection and screening process. Employees who may have tools or instruments which are used in the course of their duties, and which are the property of the district may be exempt from this policy when deemed appropriate and necessary.

DEFINITIONS

Weapon

Any object capable of causing death or serious bodily injury, including but not limited to firearms, knives, explosives, or improvised weapons.

Contraband

Any item that is **prohibited, illegal, or not permitted within the hospital environment**. Contraband may also include items that could compromise **patient safety, staff safety, or hospital operations**.

Weapons Detection Device

Security mechanisms, technology, or screening equipment designed to identify instruments capable of causing death or serious bodily injury. These may include walk-through detection systems, advanced screening devices, handheld detection wands or metal detectors.

Weapons Detection Screening

The process of using technology and physical inspection methods to identify prohibited weapons prior to entry into district facilities.

Authorized Personnel

Security staff or designated personnel who have completed the required training per California Assembly Bill 2975 to operate detection equipment and respond to screening alerts.

Screening Area

A designated district or hospital entrance where weapons detection equipment and security personnel are assigned to screen individuals entering the facility.

PROCEDURE**Weapons and Contraband Prohibited:**

- Firearms and ammunition
- Explosive Material
- Knives/ box cutters/razor blades/disposable razors or any bladed weapon
- Chemical Agents
- Impact Weapons such as (nunchaku, baton)
- Tasers
- Screw Drivers/ Ice picks/ Knitting needles/ Cork screws
- Flammable Liquids
- Alcohol or aerosol canisters
- Chains
- Syringes
- Scissors
- Lighters or matches
- Metal forks
- Nails/ Screws

- Any other sharp object that could be used as a weapon
- Alcoholic beverages
- Illegal or Illicit controlled substances or paraphernalia

Authorized Exceptions may include:

- Law enforcement personnel
- Authorized district security personnel
- Staff utilizing authorized instruments within the normal scope of their assigned duties

Entry Screening Process:

Individuals entering designated screening areas may be asked to:

- Walk through a weapons detection system
- Remove metallic items if requested
- Allow visual or physical inspection of bags or containers
- Undergo secondary screening using handheld detection devices when deemed necessary or required
- Conduct a self-pat-down and/or manipulate clothing to expose high risk areas where a weapon may be hidden

Patients arriving by ambulance for emergent care may be screened for illegal or prohibited items utilizing a handheld device upon entry by trained security personnel.

Patients being escorted by law enforcement who are under arrest or arriving for admission under California Welfare and Institutions Code 5150 for psychiatric hold or evaluation shall be searched by law enforcement and all belongings shall be removed from their possession prior to entry to facilities. If the patient in these circumstances has property provided by law enforcement, it shall be stored in accordance to the hospital policy and procedure regarding patient belongings.

Refusal of Screening Process:

- Any person being screened may terminate the screening process at any time and leave district property without question or detainment by district security staff.
- Individuals who refuse screening may be provided alternative screening options consistent with patient rights and legal requirements.
- Emergency medical treatment will not be denied due to refusal of screening.
- If a refusal occurs and trained district staff deem the patient to be in need of emergent medical care, the patient will be admitted immediately and accompanied by security personnel who will remain with the individual until district staff have obtained the patients property and they have confirmed no prohibited items or weapons have been brought into the facilities.

Discovery of a Weapon:

If a weapon is detected:

- Security personnel will notify the individual that weapons or contraband are not allowed on property.
- The individual will be asked to remove the weapon from district property.

- If appropriate or necessary, security may temporarily secure the weapon according to the district policy and procedure for storage of weapons when exigent or emergent circumstances exist and no other option is available.
- If the weapon poses a threat or is illegal, local law enforcement will be notified to take possession and a police report will be filed.
- If a weapon is detected and a threat exists, security personnel and/or staff may initiate a lockdown according to the lockdown policy and procedure.
- Any incident where a prohibited item is located will be documented through the incident reporting system.

District employees should not attempt to confiscate weapons or contraband unless trained and authorized.

In the event a weapon is detected and there is an imminent threat to life and/or event involving actual or potential death or serious bodily injury security personnel will adhere to the district's use of force policy.

Personnel Training:

Personnel responsible for weapons detection must complete training that includes:

- Operation of detection equipment and screening procedures
- Identification and types of prohibited weapons and contraband
- District procedures when a weapon is detected
- Deescalation techniques
- Storage procedures
- Implicit bias awareness
- Incident documentation
- Workplace violence reduction strategies

Signage:

The district will post clear signage at screening entrances informing individuals that:

- Weapons detection screening is conducted upon entry
- Weapons are prohibited on district property
- No person will be denied emergency medical care due to screening requirements

REFERENCES

- California Assembly Bill 2975 – Hospital Weapons Detection Requirements
- California Division of Occupational Safety and Health – Workplace Violence Prevention in Health Care Standard (Title 8 §3342)
- Occupational Safety and Health Administration – Guidelines for Preventing Workplace Violence for Healthcare Workers
- The Joint Commission – Workplace Violence Prevention Standards
- California Department of Public Health – Hospital Licensing and Safety Guidance

AFFECTED DEPARTMENTS

Security Department
Emergency Management
Life Safety
Emergency Department
Admitting/ Registration
Obstetrics
Quality
Risk Management

Document ID	12584	Document Status	Pending Committee Approval
Department	Security	Department Director	Fors, Dale
Document Owner	Fors, Dale	Next Review Date	

Attachments:
(REFERENCED BY THIS DOCUMENT)

Other Documents:
(WHICH REFERENCE THIS DOCUMENT)

Paper copies of this document may not be current and should not be relied on for official purposes. The current version is in Lucidoc at

<http://hzh-iis.hazelhawkins.com/?returnto=%2Fcgi%2Fdoc-gw.pl%3Fref%3Dhhmh%3A12584%240>.

Resolution No. 2026-14

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BENITO HEALTH CARE DISTRICT MODIFYING THE NATIONAL UNION OF
HEALTHCARE WORKERS UNIT AT SAN BENITO HEALTH CARE DISTRICT**

REPEALING AND SUPERSEDING RESOLUTION 2026-08

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

WHEREAS, the District Board of Directors (“Board”) approved Ordinance 2004-06 Regarding Employee Election of Labor Organizations (“Ordinance 2004-06”) in accordance with Government Code section 3507(a);

WHEREAS, the Ordinance 2004-06 authorizes the Board to assess the appropriateness of a bargaining unit requested by an employee organization and to determine the appropriate unit based on specified criteria;

WHEREAS, on January 6, 2026, the National Union of Healthcare Workers (“NUHW”) submitted a written request to modify the existing bargaining unit it represents to include an additional classification for Laboratory Clerks within the Laboratory Department;

WHEREAS, upon receipt of a request to modify an existing and recognized unit of employees, the Board, pursuant to California Government Code Section 3507.1 and Ordinance 2004-06, has the responsibility to determine whether the modification to include a new classification of employees would result in an appropriate unit of employees;

WHEREAS, on January 22, 2025, the Board held a public hearing to review the proposed modification to NUHW, and consider the relevant criteria set forth in Section 2 of Ordinance 2004-06;

WHEREAS, the Board determined the proposed classification meets the criteria set forth in Section 2 of Ordinance 2004-06;

WHEREAS, pursuant to Government Code 3507.1(c), NUHW has requested recognition to represent employees in certain specified classifications pending the results of a card check election;

WHEREAS, the District, pursuant to Government Code 3507.1(c) and Ordinance 2004-06, has agreed to recognize NUHW representing certain recognition to represent employees in certain specified classifications pending the results of a card check election, which will be overseen by State Mediation-Conciliation Service; and

WHEREAS, this Resolution supersedes Resolution 2026-08, adopted by the Board on January 22, 2026.

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

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

SECTION 2. Resolution 2026-08 is hereby repealed.

SECTION 3. The Board, based upon the request filed by NUHW, finds and determines that NUHW is the appropriate bargaining unit for the following classification of Laboratory Clerks.

SECTION 4. The Board directs District Administration to take any and all actions, including executing relevant documents, to carry out the intent of this Resolution in accordance with Ordinance 2004-06.

PASSED AND ADOPTED this 26th day of March, 2026 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

William Johnson, President

Attested: _____
Nick Gabriel, Secretary

Resolution No. 2026-15

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BENITO HEALTH CARE DISTRICT MODIFYING THE NATIONAL UNION OF
HEALTHCARE WORKERS UNIT AT SAN BENITO HEALTH CARE DISTRICT
REPEALING AND SUPERSEDING RESOLUTION 2026-09**

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

WHEREAS, the District Board of Directors (“Board”) approved Ordinance 2004-06 Regarding Employee Election of Labor Organizations (“Ordinance 2004-06”) in accordance with Government Code section 3507(a);

WHEREAS, the Ordinance 2004-06 authorizes the Board to assess the appropriateness of a bargaining unit requested by an employee organization and to determine the appropriate unit based on specified criteria;

WHEREAS, on February 10, 2026, the National Union of Healthcare Workers (“NUHW”) submitted a written request to modify the existing bargaining unit it represents to include an additional classification for Security Guards;

WHEREAS, upon receipt of a request to modify an existing and recognized unit of employees, the Board, pursuant to California Government Code Section 3507.1 and Ordinance 2004-06, has the responsibility to determine whether the modification to include a new classification of employees would result in an appropriate unit of employees;

WHEREAS, on February 26, 2026, the Board held a public hearing to review the proposed modification to NUHW, and consider the relevant criteria set forth in Section 2 of Ordinance 2004-06;

WHEREAS, the Board determined the proposed classification meets the criteria set forth in Section 2 of Ordinance 2004-06;

WHEREAS, pursuant to Government Code 3507.1(c), NUHW has requested recognition to represent employees in certain specified classifications pending the results of a card check election;

WHEREAS, the District, pursuant to Government Code 3507.1(c) and Ordinance 2004-06, has agreed to recognize NUHW representing certain recognition to represent employees in certain specified classifications pending the results of a card check election, which will be overseen by State Mediation-Conciliation Service; and

WHEREAS, this Resolution supersedes Resolution 2026-09, adopted by the Board on February 26, 2026.

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

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

SECTION 2. Resolution 2026-09 is hereby repealed.

SECTION 3. The Board, based upon the request filed by NUHW, finds and determines that NUHW is the appropriate bargaining unit for the following classification of Security Guards.

SECTION 4. The Board directs District Administration to take any and all actions, including executing relevant documents, to carry out the intent of this Resolution in accordance with Ordinance 2004-06.

PASSED AND ADOPTED this 26th day of March, 2026 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

William Johnson, President

Attested: _____
Nick Gabriel, Secretary

RESOLUTION NO. 2026-12

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BENITO HEALTH CARE DISTRICT AMENDING
THE CONFLICT OF INTEREST CODE PURSUANT TO
THE POLITICAL REFORM ACT OF 1974**

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

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (“Act”), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the District, and requires all public agencies to adopt and promulgate a Conflict of Interest Code;

WHEREAS, the District Board of Directors (“Board”) adopted a Conflict of Interest Code (“Code”) in compliance with the Act, which was last amended January 23, 2025;

WHEREAS, subsequent changed circumstances within the District have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the District’s Code;

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Board, the proposed amended Code was provided each affected designated employee and publicly posted for review at the offices of the District;

WHEREAS, a public meeting was held upon the proposed amended Code at a regular meeting of the Board of Directors on March 26, 2026, at which all present were given an opportunity to be heard on the proposed amended Code; and

WHEREAS, this Resolution is not defined as a project under the California Environmental Quality Act (“CEQA”), set forth at Public Resources Code Section 21065, Section 15378 of the State CEQA Guidelines, because amending the Code will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

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

1. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.
2. The Board does hereby adopt the proposed amended Code, a copy of which is attached hereto and shall be on file with the Executive Assistant and available to the public for inspection and copying during regular business hours.

CONFLICT OF INTEREST CODE OF THE SAN BENITO HEALTH CARE DISTRICT

The Political Reform Act of 1974 (Government Code sections 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, section 18730 of Title 2 of the California Code of Regulations, which contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the Fair Political Practices Commission may amend the standard code to conform to amendments of the Political Reform Act. Therefore, the terms of section 18730 of title 2 of the California Code of Regulations and any amendments to it duly adopted by the Fair Political Practices Commission, together with the attached appendices designating positions and establishing disclosure categories, are hereby incorporated by reference and together shall constitute the Conflict of Interest Code of the San Benito Health Care District ("Agency").

Individuals holding designated positions shall file their Statements of Economic Interests (Form 700) ("Statements") with San Benito Health Care District, which will make the statements available for public inspection and reproduction pursuant to Government Code section 81008. Upon receipt of the Statements for Members of the Board of Directors, Chief Executive Officer, and Chief Financial Officer, the Agency shall make and retain copies, and forward the original statements to the Office of the Clerk of the Board of Supervisors of San Benito County. Statements for all other designated positions shall be retained by the Agency.

Attachments: Appendix 1: Designated Positions

Appendix 2: Disclosure Categories

Adopted as Amended and Restated: By Board Resolution 2025-01-12, ~~January 23, 2025~~ March 26, 2026

**CONFLICT OF INTEREST CODE OF THE
SAN BENITO HEALTH CARE DISTRICT**

**APPENDIX A
DESIGNATED POSITIONS**

Designated Positions ¹	Assigned Disclosure Category
Director of Emergency Services	2
Director of Medical Surgical Services & Special Care Services	2
Director of Surgical Services	2
Sr. Director Support Services	5
Chief Nursing Officer	1
Chief of Staff	2
Controller	1
Director of Cardiopulmonary Services	2
Manager of Case Management	2
Director of Clinic Operations	2
Director of Employee Health	2
Manager of Environmental Services	2
Director of Health Information Officer	2
Director of Nursing for Skilled Nursing Facility	2
Director of Laboratory Services	2
Director of Marketing and Public Relations	5
Manager of Materials Management	5
Director of Medical Staff Services	2
Certified Dietary Manager	2
Director of Business Office/Registration/PBX	2
Manager of Patient Registration	2
Director of Pharmacy	2
Director of Quality	2
Director of Infection Prevention, Quality & Accreditation	2
Director of Foundation	6
Director of Diagnostic Imaging	2
Director of Acute and Outpatient Rehab Services	2
Director of Outpatient Rehab Services	2
Director of Informational Technology Services	2
Sr. Director of Acute Care Services	2
Director of Emergency Management, and Security, EVS, and Engineering	2
Director of Human Resources	2
VP of Clinic, Ambulatory, and Physician Services	2
VP of Information and Strategic Services	52

¹ Public officials who manage public investments are not covered by the Conflict of Interest Code because they must file a statement of economic interests pursuant to Government Code section 87200. Therefore, those positions are listed below for information purposes only:

- Members of the Board of Directors
- Chief Executive Officer
- Chief Financial Officer

An individual holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

**CONFLICT OF INTEREST CODE OF THE
SAN BENITO HEALTH CARE DISTRICT**

APPENDIX B

DISCLOSURE CATEGORIES

General Provisions Applicable to All Categories

When an individual who holds a designated position is required to disclose investments and sources of income, he or she shall disclose investments in business entities and sources of income which do business in the jurisdiction, plan to do business in the jurisdiction, or have done business in the jurisdiction within the past two (2) years. In addition to other activities, a business entity is doing business within the jurisdiction if it owns real property within the jurisdiction. When an individual who holds a designated position is required to disclose sources of income, he or she shall include gifts received from donors located inside as well as outside the jurisdiction.

When an individual who holds a designated position is required to disclose interests in real property, he or she shall disclose real property (other than personal residence) if it is located within the jurisdiction, or not more than two miles outside the boundaries of the jurisdiction, or within two miles of any land owned or used by Agency.

When an individual who holds a designated position is required to disclose business positions, he or she shall disclose positions in business entities that do business in the jurisdiction, plan to do business in the jurisdiction, or have done business in the jurisdiction within the past two years.

Category 1

A designated position in this category must report all investments, business positions, interests in real property, and sources of income, including gifts, loans, and travel payments.

Category 2

A designated position in this category must report all investments, business positions, and sources of income, including gifts, loans, and travel payments.

Category 3

A designated position in this category must report all interests in real property.

Category 4

A designated position in this category must report all investments, business positions and income, including gifts, loans, and travel payments, from sources that are subject to the regulatory, permit or licensing authority of, or have an application for a license or permit pending before, the Agency.

Category 5

A designated position in this category must report all investments, business positions and income, including gifts, loans, and travel payments, from sources which are of the type to supply materials, products, supplies, commodities, services, machinery, vehicles, or equipment utilized by the Agency.

Category 6

A designated position in this category must report all investments, business positions and income, including gifts, loans, and travel payments, from sources which are of the type to receive grants or other monies from or through the Agency.

Subscribe

Financial Management

Hospital margins take a dive

Advertisement

By: **Laura Dyrda** Thursday, March 12th, 2026

Share

Hospitals and health systems had a rocky start to 2026. Patient demand and revenue growth slowed while expenses intensified, leading to an operating margins dip, according to Strata's Monthly Healthcare Industry Financial Benchmarks [report](#).

The firm gathered data from more than 1,900 hospitals across the U.S. and identified financial and operational trends in the month of January. Below are five big trends for hospital and health system executives to know, based on averages gathered by Strata.

1. Margins hit 12-month low. Health system margins dropped to -0.6% from 1.3% in December, which was the biggest monthly decline over the last year. For most of last year, health system operating margins hovered above 1% and even reached 1.5% in November.

Hospital margins also dropped 3.1 percentage points month over month and 2.4 percentage points year over year. Hospitals in the Northeast and South regions of

the country had the smallest decline, about 1.2 percentage points, while Midwestern hospitals reported a 3.2 percentage point margin drop.

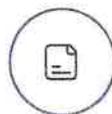
2. Smallest and largest hospitals are under the most financial pressure. Hospitals with less than 100 beds reported a 3.9 percentage point margin drop while hospitals with 500-plus beds reported a 2.5 percentage point decrease. Hospitals in between reported less steep declines.

3. Expense growth outpaced revenue. Total expenses increased 5.4% year over year in January while gross operating revenue rose 3.9%, leaving a significant gap for many organizations. Outpatient revenue jumped 4.4% while inpatient revenue increased a more moderate 2.5%.

4. Non-labor and drug costs surged. Non-labor expenses drove expense growth, at 6.4%. Labor expenses increased an average of 4.9% year over year and drug expenses were up 6.8%. Supply expenses increased just 4.6% in January.

5. Overall patient volume declined but select specialties are booming. Patient demand slowed, as inpatient admissions dropped 2.4% year over year and outpatient visits were down 2.5%. Emergency visits had the largest decline at 11.2% compared to the same period last year. Several specialties posted strong gains despite overall volume loss:

- Ophthalmology: 17.5%
- Genetics: 12.8%
- Hematology: 12.2%
- Cancer: 10.6%
- Pulmonology: 2.4%



[How to unlock smarter, more cost-effective care with stewardship](#)

Recommended Whitepaper

Chief Nursing Officer Report

March 2026

- Full time Dietician
- Workplace Violence pilot training

CNO Dashboard February 2026				
Description	February 2026 Actual	February 2026 Budget	YTD Total Actual	YTD Total Budget
ED Visits	2,236	2,355	18,436	18,874
ED Admission %	3%	10%>	4.07%	10%>
LWBS %	0.9%	<2.0%	1.0%	<2.0%
Door to Provider	7 min	<10 min	6.8%	<10 min
MS admissions	63	119	739	876
ICU admissions	18	20	174	139
Deliveries	39	23	258	261
OR Inpatient	33	40	276	333
ASC/OP Cases	65	38	597	301
GI	86	91	665	725
Met or Exceeded Target				
Within 10% of Target				
Not Within 10%				

Total YTD OR cases:

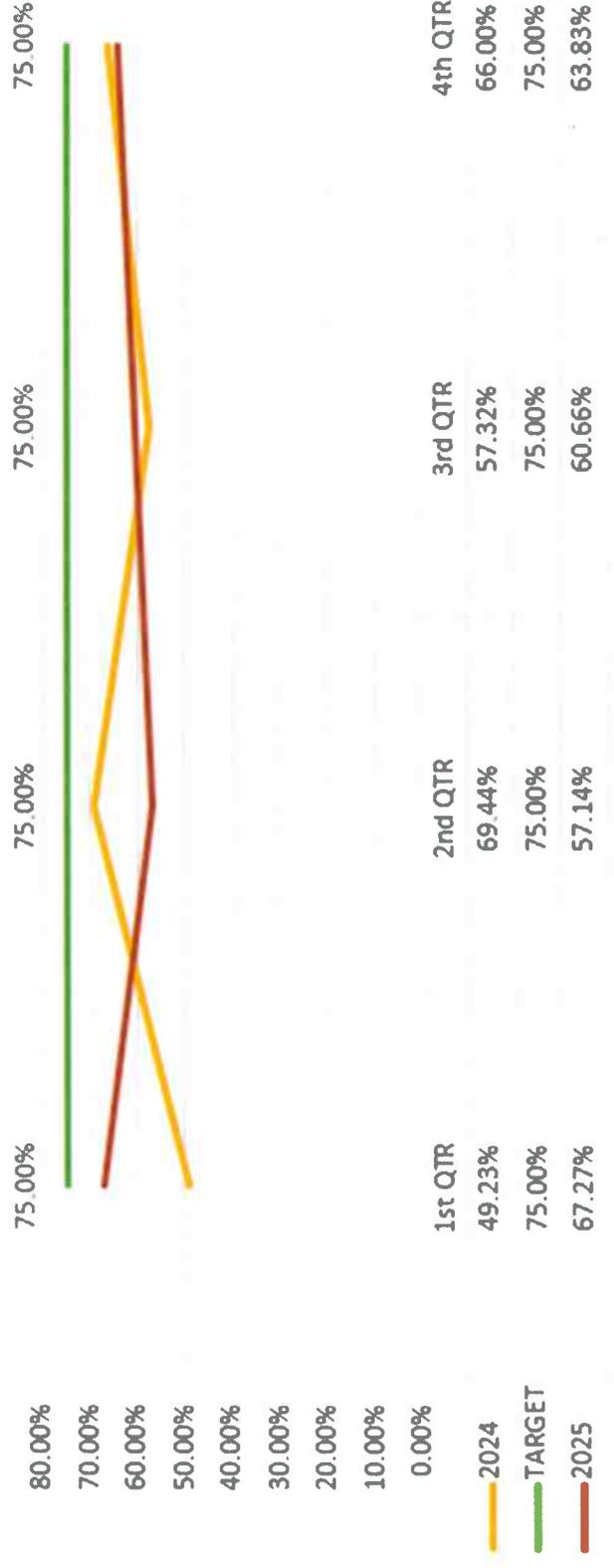
Actual: 1538

Budget:1359

OR Cases By Service Line			
2025-2026	DECEMBER	JANUARY	FEBRUARY
TOTAL SURGERIES **	181	211	184
GENERAL SURGERY	28	28	27
ORTHOPEDIC TOTAL	41	48	40
<i>PODLATRY</i>	0	0	0
<i>TOTAL JOINTS</i>	4	7	11
UROLOGY	3	6	5
OB/GYN TOTAL	35	28	19
<i>C/SECTIONS</i>	9	9	8
ENT TOTAL	0	1	0
GI TOTAL	74	100	93
GI ASC	71	92	86
GI NO	0	1	4
GI NPT	3	7	3
GI CANCELS*	0	1	1
*Cancels not included in GI Total			
**These totals include GI			

OR Cases By Service Line			
2024-2025	DECEMBER	JANUARY	FEBRUARY
TOTAL SURGERIES **	132	174	201
GENERAL SURGERY	26	38	21
ORTHOPEDIC TOTAL	36	26	36
<i>PODLATRY</i>	1	4	4
<i>TOTAL JOINTS</i>	0	0	0
UROLOGY	2	2	5
OB/GYN TOTAL	14	23	23
<i>C/SECTIONS</i>	5	7	6
ENT TOTAL	0	1	2
GI TOTAL	54	84	114
GI ASC	48	81	106
GI NO	2	0	2
GI NPT	4	3	6
GI CANCELS*	0	1	3
*Cancels not included in GI Total			
**These totals include GI			

Hospital Likelihood to Recommend



- Daily Nurse Leader Rounding
- Dietary Survey with meal trays
- Service Recovery Cart
- Daisy and Superstar awards



Hazel Hawkins
MEMORIAL HOSPITAL

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**REGULAR MEETING OF THE FACILITIES AND FINANCE COMMITTEE
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
MONDAY, MARCH 23, 2026 - 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. Update on Current Projects
 - Project Dashboard – February 2026

3. Review Financial Updates
 - Financial Statements – February 2026
 - Finance Dashboard – February 2026
 - Supplemental Payments – February 2026

4. Consider Recommendation for Board Approval of Professional Service Agreement with Lourdes Grayson, MD.
 - Report
 - Committee Questions
 - Motion/Second

5. Consider Recommendation for Board Approval of Professional Service Agreement with Shane Walker, MD
 - Report
 - Committee Questions
 - Motion/Second

6. Consider Recommendation for Board Approval to Award Bid to The Core Group (Chemistry Analyzer Replacement) in the amount of \$383,575.00.

- Report
- Committee Questions
- Motion/Second

7. Consider Recommendation for Board Approval of Authorizing Investment of Monies in the Local Agency Investment Fund, Resolution No 2026-11

- Report
- Committee Questions
- Motion/Second

8. 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.

9. Adjournment

The next Facilities and Finance Committee meeting is scheduled for **Monday, April 20, 2026 at 4:30 p.m.**

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

MARCH 2026 Project Dashboard - Facilities

Project Name	Purpose	Start Date	Go Live	Duration	Status	Priority	Key Stakeholder	Role	Update
*BD Installation	New Pyxis Machines for ICU	12/4/2024	3/1/2026	452	Completed	Medium	Naveen Ravela	Pharmacy Director	Received HCAI CF (construction final). Old pyxis removed and pending closeout paper work from HCAI.
*Lab Phase 2	Analyzer Replacement	6/1/2024	5/1/2026	699	In Progress	High	Bernadette Enderez	Lab/Radiology Director	Phase 2A received HCAI SC (substantial completion) pending adding chime/strobe to restroom to receive final closeout for this milestone. Phase 2B has started, starting to coordinate with ABBOTT for analyzer installation
*Lab Remodel	Lab Phase 3/4: Remodel	3/1/2026		TBD	Ongoing		Bernadette Enderez	Lab/Radiology Director	Architectural proposal has been signed. Planning meetings will resume with design anticipated to take duration of '26. Bidding and construction not until 2027.
*OR Rebuild	Updating OR per OSHPD Requirements	11/20/2024	12/31/2026	771	In Progress	High	Mendi Suber-Ventura	Director of Surgical Services	CDPH waiver has been extended until JAN 2027.

MARCH 2026 Project Dashboard - Facilities

*Sterilizer Replacement	Installation of new AMSCO 400 48 SD equipment for Sterile Processing Department	9/16/2025	11/1/2026	411	In Progress	High	Mendi Suber-Ventura	Director of Surgical Services	Advertisement for bid is posted. Site walk with GC 2/24. Bids due week of 3/16
*Seismic	Upgrade to Meet HCAI Seismic Compliance & Safety Standards	11/1/2025	1/1/2033		Ongoing	High	Jorge Ramirez	Director of Emergency Management; Security; Life Safety; EVS; Engineering	Projects have been submitted to HCAI for review. Geotech work for soil sampling to aid in seismic design expected to happen early '26, MT/CAP could happen fall '26 or early '27.
*Imaging Trailer Pad Make Ready	Treanor to help when MP starts	10/1/2025	TBD		In Progress	Medium	Bernadette Enderez	Lab/Radiology Director	Architectural proposal approved. Pending HCAI design submission
*Verkada	Security / SSO + Door Access	3/11/2025	TBD		In Progress	High	Jorge Ramirez	Director of Emergency Management; Security; Life Safety; EVS; Engineering	HCAI building permit has been issued. IOR selected. Planning for work between General contractor and the vendors to coordinate install. Meeting scheduled for end of march with installation aiming for end of April or beginning of May.
*HUGS/Securitas	Infant Security	4/12/2024	5/1/2026	749	In Progress	High	Jac Fernandez	Senior Director of Acute Care Services	Received HCAI SC (substantial completion) HUGS vendor onsite week of 3/31-4/2 to tune devices. Then Go live planning can begin with nursing/security staff.

MARCH 2026 Project Dashboard - Facilities

Item	Description	Start Date	End Date	Count	Status	Priority	Lead	Notes
*ED Helipad	System is an AFFF system and no longer allowed in CA. Is required to be phased out due to being a hazardous chemical.	5/27/2025	7/1/2026	400	In Progress	High	Jorge Ramirez	Regular (\$) project has been submitted, construction will start after HCAI approval. Pending City Of Hollister approval and release of MOP between Hollister Fire Dept and HHMH.
*Northside SNF Kitchen Flooring	Replace kitchen and storage flooring at the Northside SNF	1/1/2026	TBD		In Progress	High	Jaylee Davison	Architectural and Contractor Flooring Vendor proposals approved. Project submitted to HCAI end of March. Internal Logistics planning ongoing
Physical Therapy Clinic Remodel	Expanding current location to help with ongoing demand	6/1/2025	TBD		On Hold	Medium	Jun Estrada	Looking to perform feasibility study of the new location
Focus Sports Therapy	Renovate and expand Focus sports therapy clinic	7/1/2025	TBD		On Hold	Medium	Jorge Ramirez	Working with architect's on schematic design.
Totals								
TASK STATUS %								
STATUS	COUNT							
Not Started	0							
In Progress	8							
Overdue	0							
On Hold	2							
Ongoing	2							
Completed	1							
TOTAL	13							100%

estimated go-live planned go live

MARCH 2026 Project Dashboard - Facilities

PROJECT PRIORITY %	COUNT	%
High	8	67%
Medium	4	33%
Low	0	0%
TOTAL	12	100%



San Benito Health Care District

San Benito Health Care District

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

March 23, 2026

CFO Financial Summary for the District Board:

For the month ending February 28, 2026, the District's Net Surplus (**Loss**) is \$673,209 compared to a budgeted Surplus (**Loss**) of \$640,167. The District exceeded the budget for the month by \$33,042.

YTD as of February 28, 2026, the District's Net Surplus (**Loss**) is \$9,415,909 compared to a budgeted Surplus (**Loss**) of \$7,113,426. The District is exceeding its budget YTD by \$2,302,483.

Acute discharges were 119 for the month, under budget by 43 discharges, 27%. The ADC was 11.18 compared to a budget of 16.39. The ALOS was 2.63. The acute I/P gross revenue was under budget by **\$2.14 million** or **21%** while O/P services gross revenue exceeded the budget by **\$2.16 million** or **8%**. ER I/P visits were 73 and ER O/P visits were under budget by 51 visits or 2%. The RHCs & Specialty Clinics treated 3,492 (includes 611 visits at the Diabetes Clinic) and 1,068 visits respectively.

Other Operating revenue exceeded budget by **\$72,446** due mainly to:

- 1) \$188,160 in additional QIP funds for PY 7, CY 2024.

Operating Expenses exceeded the budget by **\$332,508** due mainly to: overages in Registry of \$173,266, Professional Fees of \$84,317 and Interest/Fees of \$130,150 being slightly offset by savings in Salaries & Wages Expense of \$94,111 and Employee Benefits of \$57,847.

Non-operating Revenue exceeded the budget by **\$31,548**.

The SNFs ADC was **89.39** for the month. The Net Surplus (**Loss**) is \$581,416 compared to a budget of \$58,454. YTD, the Net Surplus (**Loss**) is \$2,373,028 exceeding the budget by \$1,597,254.

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
HOLLISTER, CA 95023
FOR PERIOD 02/28/26

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25
GROSS PATIENT REVENUE:										
ACUTE ROUTINE REVENUE	2,644,680	3,572,048	(927,368)	(26)	3,015,985	28,001,587	27,267,368	734,219	3	26,712,740
SNF ROUTINE REVENUE	1,992,517	1,890,000	102,517	5	1,846,410	16,205,533	16,402,500	(196,968)	(1)	15,780,720
AMCILLARY INPATIENT REVENUE	3,177,018	4,574,609	(1,397,591)	(31)	4,249,115	30,733,315	34,576,639	(3,843,324)	(11)	34,465,098
HOSPITALIST\PEDS I\P REVENUE	85,173	0	85,173	0	0	1,347,543	0	1,347,543	0	0
TOTAL GROSS INPATIENT REVENUE	7,899,388	10,036,657	(2,137,269)	(21)	9,111,510	76,287,978	78,246,507	(1,958,529)	(3)	76,959,558
AMCILLARY OUTPATIENT REVENUE	30,431,157	28,372,958	2,058,199	7	27,678,552	248,877,728	242,376,741	6,500,987	3	231,621,865
HOSPITALIST\PEDS O\P REVENUE	105,450	0	105,450	0	0	871,874	0	871,874	0	0
TOTAL GROSS OUTPATIENT REVENUE	30,536,607	28,372,958	2,163,649	8	27,678,552	249,749,602	242,376,741	7,372,861	3	231,621,865
TOTAL GROSS PATIENT REVENUE	38,435,995	38,409,615	26,380	0	36,790,062	326,037,580	320,623,248	5,414,332	2	308,581,423
DEDUCTIONS FROM REVENUE:										
MEDICARE CONTRACTUAL ALLOWANCES	10,170,897	10,534,049	(363,152)	(3)	10,189,537	90,652,570	86,675,562	3,977,008	5	81,352,689
MEDI-CAL CONTRACTUAL ALLOWANCES	10,136,925	9,991,415	145,510	2	9,146,801	87,022,431	82,213,316	4,809,115	6	78,833,009
BAD DEBT EXPENSE	691,189	990,583	(299,394)	(30)	425,981	5,717,243	8,089,625	(2,372,382)	(29)	5,652,854
CHARITY CARE	5,281	30,255	(24,974)	(83)	129,710	372,324	248,821	123,503	50	300,068
OTHER CONTRACTUALS AND ADJUSTMENTS	4,858,478	4,674,143	184,335	4	3,949,405	40,322,806	38,454,793	1,868,013	5	36,698,514
HOSPITALIST\PEDS CONTRACTUAL ALLOW	(8,992)	0	(8,992)	0	0	146,230	0	146,230	0	0
TOTAL DEDUCTIONS FROM REVENUE	25,853,778	26,220,445	(366,667)	(1)	23,841,434	224,233,603	215,682,117	8,551,486	4	202,837,133
NET PATIENT REVENUE	12,582,217	12,189,170	393,047	3	12,948,628	101,803,976	104,941,131	(3,137,155)	(3)	105,744,290
OTHER OPERATING REVENUE	1,220,904	1,148,458	72,446	6	2,595,521	15,797,187	9,386,927	6,410,260	68	7,531,356
NET OPERATING REVENUE	13,803,121	13,337,628	465,493	4	15,544,149	117,601,163	114,328,058	3,273,105	3	113,275,646
OPERATING EXPENSES:										
SALARIES & WAGES	4,992,089	5,085,817	(93,729)	(2)	4,614,553	42,597,242	43,958,012	(1,360,770)	(3)	39,738,669
REGISTRY	723,704	525,385	198,319	38	501,160	5,401,575	4,203,075	1,198,500	29	4,106,213
EMPLOYEE BENEFITS	2,261,086	2,281,824	(20,738)	(1)	2,064,249	19,325,913	19,392,371	(66,458)	0	17,341,057
PROFESSIONAL FEES	1,728,240	1,644,213	84,027	5	1,469,252	14,449,909	13,157,321	1,292,588	10	12,523,822
SUPPLIES	1,245,039	1,272,926	(27,887)	(2)	1,076,491	10,342,819	10,254,288	88,531	1	8,820,784
PURCHASED SERVICES	1,377,845	1,276,337	101,508	8	1,330,110	10,801,940	10,819,952	(18,012)	0	10,653,324
RENTAL	174,457	163,755	4,702	3	172,628	1,447,742	1,358,040	89,702	7	1,286,361
DEPRECIATION & AMORT	353,831	315,201	38,630	12	317,940	2,729,018	2,521,621	207,397	8	2,537,532
INTEREST	149,625	19,475	130,150	668	5,632	258,863	157,381	101,482	65	299,231
OTHER	539,261	490,244	49,017	10	425,943	4,240,493	4,462,299	(221,806)	(5)	3,559,339
TOTAL EXPENSES	13,545,176	13,081,177	463,999	4	11,977,956	111,595,512	110,284,360	1,311,152	1	100,866,331
NET OPERATING INCOME (LOSS)	257,945	256,451	1,494	1	3,566,193	6,005,651	4,043,698	1,961,953	49	12,409,315

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 02/28/26

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	10,000	20,000	(10,000)	(50)	0	469,964	160,000	309,964	194	213,451
PROPERTY TAX REVENUE	248,434	248,434	0	0	241,122	1,987,472	1,987,472	0	0	1,928,976
GO BOND PROP TAXES	181,114	181,114	0	0	175,915	1,448,909	1,448,912	(3)	0	1,407,318
GO BOND INT REVENUE\EXPENSE	(61,114)	(61,114)	0	0	(65,081)	(488,909)	(488,912)	3	0	(520,651)
OTHER NON-OPER REVENUE	16,017	16,399	(382)	(2)	17,445	126,271	131,192	(4,922)	(4)	131,007
OTHER NON-OPER EXPENSE	17,016	(22,742)	39,758	(175)	(27,767)	(148,866)	(181,936)	33,070	(18)	(222,950)
INVESTMENT INCOME	3,797	1,625	2,172	134	4,231	15,417	13,000	2,417	19	12,377
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	415,264	383,716	31,548	8	345,865	3,410,257	3,069,728	340,529	11	2,949,527
NET SURPLUS (LOSS)	673,209	640,167	33,042	5	3,912,058	9,415,909	7,113,426	2,302,483	32	15,358,843
EBIDA	\$ 890,024	\$ 858,110	\$ 31,914	3.71%	\$ 4,146,931	\$ 11,333,794	\$ 8,856,983	\$ 2,476,811	27.96%	\$ 17,232,658
EBIDA MARGIN	6.45%	6.43%	0.01%	0.21%	26.68%	9.64%	7.75%	1.89%	24.40%	15.21%
OPERATING MARGIN	1.87%	1.92%	(0.05)%	(2.81)%	22.94%	5.11%	3.54%	1.57%	44.38%	10.95%
NET SURPLUS (LOSS) MARGIN	4.88%	4.80%	0.08%	1.61%	25.17%	8.01%	6.22%	1.78%	28.68%	13.56%

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
HOLLISTER, CA 95023
FOR PERIOD 02/28/26

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25
GROSS PATIENT REVENUE:										
ROUTINE REVENUE	2,644,680	3,572,048	(927,368)	(26)	3,015,985	28,001,587	27,267,368	734,219	3	26,712,740
ANCILLARY INPATIENT REVENUE	2,703,468	4,219,351	(1,515,883)	(36)	3,896,966	27,165,262	31,565,897	(4,400,635)	(14)	31,599,735
HOSPITALIST I/P REVENUE	85,173	0	85,173	0	0	1,347,543	0	1,347,543	0	0
TOTAL GROSS INPATIENT REVENUE	5,433,321	7,791,399	(2,358,078)	(30)	6,912,951	56,514,392	58,833,265	(2,318,873)	(4)	58,312,476
ANCILLARY OUTPATIENT REVENUE	30,431,157	28,372,958	2,058,199	7	27,678,552	248,877,728	242,376,741	6,500,987	3	231,621,865
HOSPITALIST O/P REVENUE	105,450	0	105,450	0	0	871,874	0	871,874	0	0
TOTAL GROSS OUTPATIENT REVENUE	30,536,607	28,372,958	2,163,649	8	27,678,552	249,749,602	242,376,741	7,372,861	3	231,621,865
TOTAL GROSS ACUTE PATIENT REVENUE	35,969,928	36,164,357	(194,429)	(1)	34,591,503	306,263,994	301,210,006	5,053,988	2	289,934,340
DEDUCTIONS FROM REVENUE ACUTE:										
MEDICARE CONTRACTUAL ALLOWANCES	9,941,221	10,274,958	(333,737)	(3)	9,961,164	88,246,389	84,503,906	3,742,483	4	79,375,383
MEDI-CAL CONTRACTUAL ALLOWANCES	10,436,507	9,900,413	536,094	5	9,065,978	87,205,229	81,423,550	5,781,679	7	78,046,014
BAD DEBT EXPENSE	693,798	985,583	(291,785)	(30)	371,770	5,739,283	8,049,625	(2,310,342)	(29)	5,658,010
CHARITY CARE	5,281	30,255	(24,974)	(83)	68,272	367,667	248,821	118,846	48	238,630
OTHER CONTRACTUALS AND ADJUSTMENTS	4,832,689	4,642,317	190,372	4	3,938,598	40,089,955	38,179,613	1,910,342	5	36,448,448
HOSPITALIST\PEDS CONTRACTUAL ALLOW	(8,992)	0	(8,992)	0	0	146,230	0	146,230	0	0
TOTAL ACUTE DEDUCTIONS FROM REVENUE	25,900,503	25,833,526	66,977	0	23,405,781	221,794,753	212,405,515	9,389,238	4	199,766,485
NET ACUTE PATIENT REVENUE	10,069,425	10,330,831	(261,406)	(3)	11,185,722	84,469,241	88,804,491	(4,335,250)	(5)	90,167,855
OTHER OPERATING REVENUE	1,220,904	1,148,458	72,446	6	2,595,521	15,052,478	9,386,927	5,665,551	60	7,531,356
NET ACUTE OPERATING REVENUE	11,290,329	11,479,289	(188,960)	(2)	13,781,243	99,521,718	98,191,418	1,330,300	1	97,699,211
OPERATING EXPENSES:										
SALARIES & WAGES	3,977,856	4,071,967	(94,111)	(2)	3,691,312	34,180,585	35,236,989	(1,056,404)	(3)	31,569,351
REGISTRY	649,426	476,160	173,266	36	460,257	4,872,905	3,809,280	1,063,625	28	3,742,222
EMPLOYEE BENEFITS	1,758,102	1,815,949	(57,847)	(3)	1,619,643	15,071,021	15,387,854	(316,833)	(2)	13,482,814
PROFESSIONAL FEES	1,726,030	1,641,713	84,317	5	1,457,042	14,432,229	13,137,321	1,294,908	10	12,506,142
SUPPLIES	1,136,997	1,182,445	(45,448)	(4)	994,089	9,436,379	9,480,314	(43,935)	(1)	8,054,918
PURCHASED SERVICES	1,232,279	1,182,147	50,132	4	1,226,585	9,931,304	10,002,895	(71,591)	(1)	9,857,457
RENTAL	157,839	161,839	(4,000)	(3)	156,585	1,305,494	1,292,492	13,002	1	1,228,717
DEPRECIATION & AMORT	312,706	276,160	36,546	13	278,689	2,407,463	2,209,293	198,170	9	2,225,347
INTEREST	149,625	19,475	130,150	668	5,632	258,863	157,381	101,482	65	299,231
OTHER	480,748	421,245	59,503	14	368,709	3,735,316	3,952,139	(216,823)	(6)	3,112,331
TOTAL EXPENSES	11,581,608	11,249,100	332,508	3	10,268,542	95,631,558	94,665,958	965,600	1	86,078,529
NET OPERATING INCOME (LOSS)	(291,279)	230,189	(521,468)	(227)	3,512,700	3,890,160	3,525,460	364,700	10	11,620,683

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 02/28/26

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	10,000	20,000	(10,000)	(50)	0	469,964	160,000	309,964	194	213,451
PROPERTY TAX REVENUE	211,194	211,194	0	0	204,954	1,689,552	1,689,552	0	0	1,639,632
GO BOND PROP TAXES	181,114	181,114	0	0	175,915	1,448,909	1,448,912	(3)	0	1,407,318
GO BOND INT REVENUE\EXPENSE	(61,114)	(61,114)	0	0	(65,081)	(488,909)	(488,912)	3	0	(520,651)
OTHER NON-OPER REVENUE	16,017	16,399	(382)	(2)	17,445	126,271	131,192	(4,922)	(4)	131,007
OTHER NON-OPER EXPENSE	22,064	(17,694)	39,758	(225)	(21,578)	(108,483)	(141,552)	33,069	(23)	(173,444)
INVESTMENT INCOME	3,797	1,625	2,172	134	4,231	15,417	13,000	2,417	19	12,377
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	383,071	351,524	31,547	9	315,885	3,152,721	2,812,192	340,529	12	2,709,690
NET SURPLUS (LOSS)	91,793	581,713	(489,921)	(84)	3,828,566	7,042,881	6,337,652	705,229	11	14,330,372

Date: 03/13/26 @ 1544
User: SDILAURA

HAZEL HAWKINS SKILLED NURSING FACILITIES
HOLLISTER, CA
FOR PERIOD 02/28/26

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25
GROSS SNF PATIENT REVENUE:										
ROUTINE SNF REVENUE	1,992,517	1,890,000	102,517	5	1,846,410	16,402,500	16,402,500	(196,968)	(1)	15,780,720
ANCILLARY SNF REVENUE	473,550	355,258	118,292	33	352,149	3,030,742	3,030,742	557,311	19	2,866,362
TOTAL GROSS SNF PATIENT REVENUE	2,466,067	2,245,258	220,809	10	2,198,559	19,773,586	19,413,242	360,344	2	18,647,082
DEDUCTIONS FROM REVENUE SNF:										
MEDICARE CONTRACTUAL ALLOWANCES	229,677	259,091	(29,414)	(11)	228,373	2,406,180	2,171,656	234,524	11	1,977,306
MEDI-CAL CONTRACTUAL ALLOWANCES	(299,582)	91,002	(390,584)	(429)	80,824	(182,798)	789,766	(972,564)	(123)	786,995
BAD DEBT EXPENSE	(2,609)	5,000	(7,609)	(152)	54,211	(22,040)	40,000	(62,040)	(155)	(5,157)
CHARITY CARE	0	0	0	0	61,438	4,656	0	4,656	0	61,438
OTHER CONTRACTUALS AND ADJUSTMENTS	25,789	31,826	(6,037)	(19)	10,807	232,851	275,180	(42,329)	(15)	250,066
TOTAL SNF DEDUCTIONS FROM REVENUE	(46,725)	386,919	(433,644)	(112)	435,653	2,438,850	3,276,602	(837,752)	(26)	3,070,648
NET SNF PATIENT REVENUE	2,512,792	1,858,339	654,453	35	1,762,906	17,334,736	16,136,640	1,198,096	7	15,576,434
OTHER OPERATING REVENUE										
NET SNF OPERATING REVENUE	2,512,792	1,858,339	654,453	35	1,762,906	18,079,445	16,136,640	1,942,805	12	15,576,434
OPERATING EXPENSES:										
SALARIES & WAGES	1,014,233	1,013,850	383	0	923,241	8,416,657	8,721,023	(304,366)	(4)	8,169,318
REGISTRY	74,277	49,225	25,052	51	40,904	528,670	393,795	134,875	34	363,991
EMPLOYEE BENEFITS	502,984	465,875	37,109	8	444,607	4,254,891	4,004,517	250,374	6	3,858,243
PROFESSIONAL FEES	2,210	2,500	(290)	(12)	2,210	17,680	20,000	(2,320)	(12)	17,680
SUPPLIES	108,043	90,481	17,562	19	82,402	906,439	773,974	132,465	17	765,866
PURCHASED SERVICES	145,566	94,190	51,376	55	103,524	870,636	817,057	53,579	7	795,867
RENTAL	16,618	7,916	8,702	110	16,043	142,248	65,548	76,700	117	57,644
DEPRECIATION	41,125	39,041	2,084	5	39,251	321,555	312,328	9,227	3	312,184
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHER	58,512	68,999	(10,487)	(15)	57,233	505,177	510,160	(4,983)	(1)	447,008
TOTAL EXPENSES	1,963,568	1,832,077	131,491	7	1,709,414	15,963,954	15,618,402	345,552	2	14,787,802
NET OPERATING INCOME (LOSS)	549,224	26,262	522,962	1,991	53,493	2,115,491	518,238	1,597,253	308	788,633
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	37,240	37,240	0	0	36,168	257,920	257,920	0	0	289,344
OTHER NON-OPER EXPENSE	(5,048)	(5,048)	0	0	(6,188)	(40,384)	(40,384)	1	0	(49,506)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	32,192	32,192	0	0	29,980	257,537	257,536	1	0	239,838
NET SURPLUS (LOSS)	581,416	58,454	522,962	895	83,472	2,373,028	775,774	1,597,254	206	1,028,471

HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 02/28/26

	CURR MONTH 02/28/26	PRIOR MONTH 01/31/26	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/25
CURRENT ASSETS					
CASH & CASH EQUIVALENT	36,736,689	42,518,478	(5,781,789)	(14)	46,670,217
PATIENT ACCOUNTS RECEIVABLE	70,466,228	70,098,341	367,887	1	66,556,290
BAD DEBT ALLOWANCE	(6,641,794)	(6,511,708)	(130,086)	2	(7,062,672)
CONTRACTUAL RESERVES	(42,698,635)	(42,298,564)	(400,071)	1	(40,404,377)
OTHER RECEIVABLES	10,385,883	6,220,741	4,165,142	67	4,952,401
INVENTORIES	5,035,972	5,037,902	(1,930)	0	4,981,471
PREPAID EXPENSES	2,733,584	2,972,992	(239,408)	(8)	2,599,584
DUE TO\FROM THIRD PARTIES	(181,860)	(181,860)	0	0	(181,860)
TOTAL CURRENT ASSETS	75,836,067	77,856,322	(2,020,255)	(3)	78,111,054
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	8,076,013	7,752,213	323,800	4	5,666,884
TOTAL LIMITED USE ASSETS	8,076,013	7,752,213	323,800	4	5,666,884
PROPERTY, PLANT, AND EQUIPMENT					
LAND & LAND IMPROVEMENTS	3,370,474	3,370,474	0	0	3,370,474
BLDGS & BLDG IMPROVEMENTS	100,124,163	100,124,163	0	0	100,098,374
EQUIPMENT	48,352,062	48,296,262	55,800	0	46,216,122
CONSTRUCTION IN PROGRESS	7,703,423	7,161,891	541,532	8	4,324,809
GROSS PROPERTY, PLANT, AND EQUIPMENT	159,550,123	158,952,791	597,332	0	154,009,779
ACCUMULATED DEPRECIATION	(101,241,455)	(100,872,712)	(368,743)	0	(98,393,920)
NET PROPERTY, PLANT, AND EQUIPMENT	58,308,668	58,080,079	228,589	0	55,615,859
OTHER ASSETS					
UNAMORTIZED LOAN COSTS	281,282	287,023	(5,742)	(2)	327,215
PENSION DEFERRED OUTFLOWS NET	5,277,892	5,277,892	0	0	5,277,892
TOTAL OTHER ASSETS	5,559,174	5,564,915	(5,742)	0	5,605,107
TOTAL UNRESTRICTED ASSETS	147,779,921	149,253,530	(1,473,608)	(1)	144,998,904
RESTRICTED ASSETS	128,854	128,806	48	0	127,208
TOTAL ASSETS	147,908,775	149,382,336	(1,473,560)	(1)	145,126,112

HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 02/28/26

	CURR MONTH 02/28/26	PRIOR MONTH 01/31/26	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/25
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	7,466,528	7,149,888	(316,640)	4	6,221,841
ACCRUED PAYROLL	2,156,564	2,096,397	(60,167)	3	3,467,229
ACCRUED PAYROLL TAXES	116,857	122,703	5,847	(5)	257,552
ACCRUED BENEFITS	4,261,665	4,348,789	87,124	(2)	5,074,320
OTHER ACCRUED EXPENSES	45,327	38,082	(7,246)	19	80,907
PATIENT REFUNDS PAYABLE	1,310	4,790	3,481	(73)	1,310
DUE TO\FROM THIRD PARTIES	1,300,804	3,505,599	2,204,795	(63)	5,056,186
OTHER CURRENT LIABILITIES	936,180	880,287	(55,893)	6	777,080
TOTAL CURRENT LIABILITIES	16,285,235	18,146,534	1,861,299	(10)	20,936,425
LONG-TERM DEBT					
LEASES PAYABLE	4,693,619	4,750,616	56,997	(1)	4,799,273
BONDS PAYABLE	28,306,720	28,335,241	28,520	0	28,534,881
TOTAL LONG TERM DEBT	33,000,339	33,085,856	85,518	0	33,334,154
OTHER LONG-TERM LIABILITIES					
DEFERRED REVENUE	0	0	0	0	0
LONG-TERM PENSION LIABILITY	24,288,121	24,488,121	200,000	(1)	25,888,121
TOTAL OTHER LONG-TERM LIABILITIES	24,288,121	24,488,121	200,000	(1)	25,888,121
TOTAL LIABILITIES	73,573,695	75,720,512	2,146,817	(3)	80,158,700
NET ASSETS:					
UNRESTRICTED FUND BALANCE	64,915,019	64,915,019	0	0	64,817,839
RESTRICTED FUND BALANCE	101,333	101,285	(48)	0	149,573
NET REVENUE/(EXPENSES)	9,318,729	8,645,520	(673,209)	8	0
TOTAL NET ASSETS	74,335,080	73,661,824	(673,256)	1	64,967,412
TOTAL LIABILITIES AND NET ASSETS	147,908,775	149,382,336	1,473,560	(1)	145,126,112



San Benito Health Care District
Hazel Hawkins Memorial Hospital
FEBRUARY 2026

Description	MTD Budget	MTD Actual	YTD Actual	YTD Budget	FYE Budget
Average Daily Census - Acute	16.39	11.18	13.64	14.71	15.00
Average Daily Census - SNF	90.00	89.39	88.17	90.00	90.00
Acute Length of Stay	2.83	2.63	2.83	2.80	2.80
ER Visits:					
Inpatient	141	73	898	1,118	1,638
Outpatient	2,214	2,163	17,538	17,756	27,053
Total	2,355	2,236	18,436	18,874	28,691
Days in Accounts Receivable	50.0	52.3	52.3	50.0	50.0
Productive Full-Time Equivalents	575.17	557.79	541.89	575.17	575.17
Net Patient Revenue	12,189,170	12,582,217	101,803,976	104,941,131	157,730,532
Payment-to-Charge Ratio	31.7%	32.7%	31.2%	32.7%	32.4%
Medicare Traditional Payor Mix	28.31%	30.51%	30.12%	29.05%	28.71%
Commercial Payor Mix	24.07%	22.15%	22.81%	22.98%	23.36%
Bad Debt % of Gross Revenue	2.50%	1.80%	1.75%	2.50%	2.53%
EBIDA	858,110	890,024	11,333,794	8,856,983	13,769,729
EBIDA %	6.43%	6.45%	9.64%	7.75%	7.98%
Operating Margin	1.92%	1.87%	5.11%	3.54%	3.79%
Salaries, Wages, Registry & Benefits %: by Net Operating Revenue	59.18%	57.79%	57.25%	59.09%	59.06%
by Total Operating Expense	60.34%	58.89%	60.33%	61.25%	61.39%
Bond Covenants:					
Debt Service Ratio - 1.25	5.50	5.71	9.08	4.73	7.36
Current Ratio - 1.50	2.00	4.66	4.66	2.00	2.00
Days Cash on hand - 30.00	93.22	81.89	81.89	93.22	110.00
Met or Exceeded Target					
Within 10% of Target					
Not Within 10%					

Statement of Cash Flows
Hazel Hawkins Memorial Hospital
Hollister, CA
Eight month ending February 28, 2026

	CASH FLOW		COMMENTS
	Current Month 2/28/2026	Current Year-To-Date 2/28/2026	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$673,209	\$9,415,909	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	368,743	2,847,534	
(Increase)/Decrease in Net Patient Accounts Receivable	162,270	(2,036,558)	
(Increase)/Decrease in Other Receivables	(4,165,142)	(5,433,945)	
(Increase)/Decrease in Inventories	1,930	(54,501)	
(Increase)/Decrease in Pre-Paid Expenses	239,408	(134,001)	
(Increase)/Decrease in Due From Third Parties	0	0	
Increase/(Decrease) in Accounts Payable	316,640	1,245,148	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	(32,803)	(2,166,558)	
Increase/(Decrease) in Accrued Expenses	7,246	(35,578)	
Increase/(Decrease) in Patient Refunds Payable	(3,481)	(1)	
Increase/(Decrease) in Third Party Advances/Liabilities	(2,204,795)	(3,755,385)	
Increase/(Decrease) in Other Current Liabilities	55,893	61,647	Semi-Annual Int. - 2005 GO & 2021 Revenue Bonds
Net Cash Provided by Operating Activities:	(5,254,091)	(9,462,198)	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(597,332)	(5,540,345)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	(323,800)	(2,409,130)	Bond Principal & Int Payment - 2014 (2005) & 2021 Bonds
(Increase)/Decrease in Other Assets	5,742	45,936	Amortization
Net Cash Used by Investing Activities	(915,390)	(7,903,539)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Capital Lease Debt	(56,997)	(105,654)	
Increase/(Decrease) in Bond Mortgage Debt	(28,520)	(228,160)	
Increase/(Decrease) in Other Long Term Liabilities	(200,000)	(1,600,000)	2014 GO Principal & Refinancing of 2013 Bonds with 2021 Bonds
Net Cash Used for Financing Activities	(285,517)	(1,933,814)	Long Term Pension Liability
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	(49,866)	
Net Increase/(Decrease) in Cash	(5,781,789)	(9,933,528)	
Cash, Beginning of Period	42,518,478	46,670,217	
Cash, End of Period	\$36,736,689	\$36,736,689	\$0

Cost per day to run the District	\$448,620	\$42,503,566	Budgeted Cash on Hand
Operational Days Cash on Hand	81.89	(\$5,766,877)	Variance

Hazel Hawkins Memorial Hospital
 Supplemental Payment Programs
 YTD as of February 28, 2026
 FYE June 30, 2026

Payor	Actual FY 2026	Actual FY 2025	Notes:
Intergovernmental Transfer Programs:			
- AB 113 Non-Designated Public Hospital (NDPH) SFY 2023/2024 Final Payment SFY 2024/2025	202,500	39,795	Requires District to fund program and wait for matching return.
SFY 2024/2025 Interim SFY 2025/2026	202,500	305,302	IGT due April 2026. Expect payment by June 2025.
- SB 239 Hospital Quality Assurance Fund (HQAF) CY 2025	2,160,000	2,407,056	IGT due April 2026. Expect payment by June 2025.
- Rate Range Jan. 1, 2023 through Dec. 31, 2023	-	1,339,141	Paid IGT of \$1,067,193 in April. Rec. in May.
- Rate Range Jan. 1, 2024 through Dec. 31, 2024	2,911,769	-	Received in February 2025.
- QIP PY 6 Settlement CY 2023	-	4,311,260	Received on January 13, 2026. Higher than prior year in place of AB 915.
- QIP PY 7 Settlement "Interim" Payment for CY 2024	2,249,573	-	Sent IGT of \$2,342,379 in March. Rec. in May.
- QIP PY 7 Settlement "Final" Payment for CY 2024	2,249,573	-	Funded IGT on Aug. 22nd, \$900,434.15. Rec'd in Oct. 2025.
- District Hospital Directed Payments (DHDP) CY 2024	643,091	710,853	Funded IGT due Feb/Mar 2026; Rec. funding Apr/May 2026.
- QIP PY 5 Loan Repayment	-	(3,090,086)	Funded IGT on Aug. 22nd, \$379,041.08. Expect payment in Oct/Nov '25. Paid on December 9, 2024.
IGT sub-total	10,619,006	6,023,320	
Non-Intergovernmental Transfer Programs:			
- AB 915 SY 2024-25	-	1,802,585	Direct Payments. Received on March 17, 2025. Based on FFS. County now under CCAH.
- SB 239 Hospital Quality Assurance Fund (HQAF)	-	1,069,577	Rec. Sep. 4, 2024.
- SB 239 Hospital Quality Assurance Fund (HQAF) VIII	-	1,081,621	Expected to Rec. 4th qtr payment by June 30, 2025.
- SB 239 Hospital Quality Assurance Fund (HQAF) VIII	-	3,244,863	Rec'd 1st, 2nd, & 3rd Qtr payments YTD.
- SB 239 Hospital Quality Assurance Fund (HQAF) IX	2,380,004	-	Qtrly Pmts reduced by 45% and not expected this fiscal year.
- Distinct Part, Nursing Facility (DP/NF)	-	-	Based on actual cost difference.
- Medi-Cal Disproportionate Share (DSH)	1,170,657	1,260,151	H.R. 1 reduction of 60% delayed until FY 2028.
Non-IGT sub-total	3,550,661	8,458,797	
Program Grand Totals	14,169,667	14,482,117	
Total Received	6,975,090	17,572,203	
Total Pending	7,194,577	(3,090,086)	
Total Paid	-	14,482,117	
Net Supplemental Payments	14,169,667	14,482,117	

Board of Directors Contract Review Worksheet

Professional Services Agreement for Psychiatry Services with Lourdes Grayson, M.D.



Executive Summary: Dr. Lourdes Grayson is a board-certified psychiatrist who completed fellowship training in Child and Adolescent Psychiatry. She began working with us in August 2025 as a full-time locum tenens provider at our Mabie First Street Healthcare Center.

Psychiatry is a challenging specialty to recruit for, and Dr. Grayson has been such an invaluable addition to our team, providing high-quality, patient-centered care that supports continued access to behavioral health services.

We propose transitioning Dr. Grayson to a permanent agreement with the District for ongoing psychiatric services.

Recommended Board Motion: It is recommended that the Board approve a two-year professional services agreement with Dr. Lourdes Grayson at a rate of \$240 per hour.

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

Agreement Terms:

Contract Term	Effective Date	Estimated Annual Cost	Term clause
2 years	4/1/2026	\$460,800	60 days

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“**Agreement**”) is made, entered into and effective as of **April 1, 2026** (“**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 **Lourdes V. Grayson, 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 a rural health clinic as defined in Title 22, California Code of Regulations section 51115.5 to provide services to patients in the Hospital Service Area (“**Clinic**”). Clinic operates under the name “Hazel Hawkins Community Health 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 **Psychiatry** 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 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:

ARTICLE 1 - DUTIES AND OBLIGATIONS OF PHYSICIAN

- 1.1 Medical Services. Physician shall (“**Physician**”), provide professional health care services in Physician’s medical specialty 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**”). 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 Effective Date and continue for a period of two (2) years, ending **February 28, 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 The license to practice medicine or to prescribe controlled substances of Physician 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 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.
 - 5.3.7 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) 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 region; 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 region; 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
Lourdes V. Grayson, M.D.

By: _____
Mary T. Casillas, Chief Executive Officer

By: _____
Lourdes V. Grayson, M.D.

Address for Notices:

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

Address for Notices:

Lourdes V. Grayson, M.D.
28832 Woodside Drive
Santa Clarita, CA 91390

(Remainder of page left blank intentionally)

EXHIBIT A

PHYSICIAN SERVICES AND COMPENSATION

- .1 **Further Description of Medical Services.** Physician shall provide professional medical services in Physician's specialty at locations specified by SBHCD, which will be within the SBHCD healthcare district boundaries, or at facilities within thirty (30) miles of the SBHCD Hospital.
 - A.1.1 **Professional Services.** Physician shall provide Services in the Clinic beginning on the Effective Date. Physician shall provide such services in coordination with other providers who are contracted with SBHCD to provide similar services to patients and pursuant to a mutually agreed-upon schedule. If Physician and other physicians cannot agree on such a schedule, SBHCD shall determine the schedule.
 - A.1.2 **Specialty Services.** Physician shall provide the following **Psychiatry Services.**
 - A.1.3 **Clinic Services.** Clinic operating hours are Monday through Friday, from 8:00 a.m. to 5:00 p.m. Physician shall provide the following Clinic Services in the Clinics in accordance with the schedule set forth in Section A.2 of this Exhibit A:
 - A.1.3.1 New and follow-up office visits;
 - A.1.3.2 Consultations;
 - A.1.3.3 Post discharge follow-up visits;
 - A.1.3.4 Ensuring the quality, availability, and expertise of medical services rendered in the Clinic and at Clinic-related activities;
 - A.1.3.5 Supervising physician assistants and nurse practitioners (collectively referred to as "Mid-Level Practitioners") as necessary for reimbursement or consult in the absence of the Medical Director;
 - A.1.3.6 Coordination of medical activities of the Clinic as a whole to be accomplished through continuous communication with appropriate SBHCD administrative personnel regarding medical administration of the Clinic;
 - A.1.3.7 Assisting with the development of a plan for quality assurance for the Clinic;
 - A.1.3.8 Provide required chart review and audits of care provided by Mid-Level Practitioners
 - A.1.3.9 Other services as are mutually agreed to be appropriate and appropriately provided in an outpatient setting by a physician specializing in Psychiatry
- A.2 **Schedule.** Physician shall provide the Services on a full-time basis, Monday through Friday, forty (40) hours per week up to forty-eight (48) weeks per year. Physician's schedule shall consist of typically four (4) ten (10) hour days with three (3) weeks of remote (telepsychiatry) services and one (1) week of on-site services per four-week period. Physician's shifts (i.e., days of the week or hours) may be adjusted to meet Clinic patient and SBHCD needs, as the parties mutually agree.
- A.3 **Hospital Call Coverage.** There is no Hospital Call Coverage provision associated with this Agreement.
- A.4 **Compensation.**
 - A.4.1 **Compensation Methodology Compliance.** In order to maintain continuity in the Compensation Methodology under this Agreement and to ensure commercial reasonableness and fair market value compensation to Physician for Services provided under this Agreement in compliance with Stark Law and Anti-Kickback regulations, SBHCD and Group agree that SBHCD retains the right to continue, for the term of this Agreement, application of the compensation formula in this Agreement.
 - A.4.1.1 **Compensation.** Physician's Compensation, which includes professional services and supervision ("Compensation"), shall be paid on a monthly basis on SBHCD's standard payment cycle for

similar agreements and shall be in the amount of **Two Hundred Forty Dollars and No Cents (\$240.00) per hour** for Psychiatry Professional Services.

- A.4.3 **Payment on Termination.** On termination of this Agreement, which is not extended, renewed or superseded by another agreement, SBHCD shall pay to Group any amounts due to Group within forty-five (45) days after the termination of this Agreement.
- A.4.4 **Agreement Includes All Compensation from SBHCD.** Incorporated into compensation under the Agreement, unless specifically excluded, are all the Physician's sources of practice revenues and income, including Hospital Call coverage stipends, other hospital on-call fees, hospital stipends, and reading fees; 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.
- A.5 **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 and no cents (\$2,500.00). 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.
- A.6 **Housing.** SBHCD will provide Physician with local housing accommodations while Physician is providing Services under this Agreement at a rate consistent with local market occupancy rates. Housing accommodation is to be used from arrival the day before the start of the shift and ending on the last day of shift.
- A.7 **Expense Reimbursement.** SBHCD will reimburse Physician for round trip mileage at the current standard Internal Revenue Service Rate, between physician home and SBHCD. Physician shall submit an itemized invoice in writing ten (10) days of the conclusion of each month for expenses from the prior month.
- A.8 **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 and Clinic to ensure a continuing high level of patient care. To that end, Physician shall participate in functions/events from time to time, in support of the SBHCD Clinics and the SBHCD facilities. In addition, to assist in the recruitment and retention of highly skilled practitioners, upon SBHCD's request, Physician shall participate in recruitment meetings with SBHCD physician candidates. SBHCD shall reimburse Group for reasonable meal expenses incurred as part of meeting with physician candidates hosted at the request of SBHCD.
- A.9 **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 evidenced based, and A.8.1 Attendance at regular monthly meetings with SBHCD Clinic and Hospital leadership when requested to review any operational or quality issues.
- A.9.2 Timely completion of all patient records.
Goal: As specified by Medical Staff rules and regulations or hospital policy.
- A.9.3 Completion of all procedure notes within twenty-four (24) hours of visit.
Goal: As specified by Medical Staff rules and regulations or hospital policy.
- A.9.4 Timely signing of orders.
Goal: As specified by Medical Staff rules and regulations or hospital policy.

A.9.5 Timely discharges summaries.

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

A.9.6 Commitment to use of SBHCD supported electronic health/medical record platforms.

A.9.7 Compliance with all governmental and SBHCD quality reporting initiatives that may come into effect from time to time.

A.9.8 Timely arrival at the facility, defined as being ready, willing and able to provide Services not less than 10 minutes before the commencement of any in-person shift or telepsychiatry as set forth in the Medical Staff rules and regulations.

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Board of Directors Contract Review Worksheet

Agreement for Professional Services for Hospitalist Coverage Panel with Shane Walker, M.D.



Executive Summary: Dr. Shane Walker is a board-certified family medicine physician who earned his medical degree from University of California, San Francisco and completed his family medicine residency at Natividad Medical Center, where he trained alongside members of our hospitalist panel.

Recommended Board Motion: It is recommended the hospital Board approve the Professional Services Agreement with Shane Walker, M.D. at a rate of \$185 per hour for day coverage and \$82.50 per hour for night shift call coverage:

Services Provided: Serve as a member of the hospitalist coverage panel contributing to 24/7/365 coverage.

Agreement Terms:

Contract Term	Effective Date	Rate	Term clause
3 year	4/1/2026	\$185/hr. (AM coverage) \$82.50/hr. (PM call coverage)	90 days

PROFESSIONAL SERVICES AGREEMENT FOR HOSPITALIST COVERAGE PANEL

This Professional Services Agreement (“**Agreement**”) is made, entered into and effective as of **April 1, 2026** (“**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 **Shane Walker, 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 specialty and 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**”) and two skilled nursing facilities (“**SNFs**”). Together, the Hospital, Clinics, and SNFs are referred to herein as the “**Facilities**”.
- 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 hospitalist 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 SBHCD and the public health of the residents of the Hospital Service Area and is an appropriate way to assure availability of hospitalist services to patients in the Hospital Service Area. SBHCD has established a hospitalist coverage panel (“**Hospitalist Coverage Panel**”) of qualified physicians which shall ensure the availability of physician coverage for hospitalist services as needed at the Facilities.
- 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. Physician shall provide professional health care services in Physician’s medical specialty to patients at the Facilities and on the schedule more fully described in Exhibit A, which is attached to this Agreement and incorporated by this reference (“**Services**”). Services include services to Medicare and Medi-Cal patients, patients of any other federal health care program or a state health care financial program (“**Governmental Programs**”), workers’ compensation beneficiaries, and patients eligible for participation in SBHCD’s charity care program. Physician shall cooperate to enable SBHCD’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 the Facilities.
- 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 Facilities and rendering 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 goals and objectives of the SBHCD Corporate Compliance program.
- 1.4 **Credentialing.** In order to be efficiently credentialed with payors that have 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 Physician's credentialing.
- 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 timely, appropriate, and necessary documentation for each patient's medical record for all patient encounters at the Facilities in compliance with the Facilities' 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. Physician further agrees to treat all other providers and the staff and volunteers of SBHCD with respect, dignity, and professionalism, and to conduct himself/herself in accordance with the highest standards of ethical behavior and workplace conduct.

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 Facilities, the following:
 - 2.1.1 **Space and Equipment.** Space and equipment as may be reasonably required for the operation of the Facilities as approved by SBHCD.
 - 2.1.2 **Services and Supplies.** Maintenance, repair, and replacement of equipment as reasonably required; all utilities, including telephone, power, light, gas, and water; and all supplies that may be reasonably required for the operation of the Facilities.
 - 2.1.3 **Non-physician Personnel.** All non-physician personnel with appropriate education, training, and experience required to operate the Facilities, 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 Facilities personnel.

- 2.2 Eligibility. At all times during the term of this Agreement, SBHCD 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 at the Facilities. 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 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 at the Facilities 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 at the Facilities, 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 Facilities. 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 Facilities 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 at 12:01 AM on the Effective Date and continue for a period of three (3) years, expiring on **March 31, 2029 at 11:59 PM** unless renewed by mutual written agreement of the parties or terminated earlier as provided in this Agreement.
- 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 ninety (90) 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 first year of the initial term, the parties shall not enter into any new agreement or arrangement that is substantially the same 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 The license to practice medicine or to prescribe controlled substances of Physician is revoked or suspended.
 - 5.3.4 SBHCD fails to carry or reinstate the insurance required in ARTICLE 8 or such coverage is canceled or revoked within fifteen (15) 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.
 - 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) harassment or abuse of patients, staff, providers, or any other person, or (vi) 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. Physician shall not be entitled to receive from SBHCD 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 Physician, 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 any provisions of, or constitute a default under, any 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 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 this Agreement 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 ever 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 the Hospital;

- 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;
- 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 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 to:
 - 9.1.1 Not use or further disclose PHI in a manner that would violate HIPAA if done by SBHCD 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 SBHCD 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 SBHCD 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 SBHCD'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 of 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, materially adversely affects Physician's ability to perform Physician's obligations hereunder, including the Services, or could likely cause Physician to be in breach of this Agreement; or
- 10.1.7 Physician being charged with or convicted of a criminal offense related to health care, or Physician's listing by a federal agency as being debarred, excluded, or otherwise ineligible for federal program participation.
- 10.1.8 The occurrence of any event that would constitute “cause” pursuant to Section 5.3.

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 whom 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.

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

Physician: Shane Walker, M.D.

- 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 Facilities' 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 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
Shane Walker, M.D.

By: _____
Mary T. Casillas, Chief Executive Officer

By: _____
Shane Walker, M.D.

Date: _____

Date: _____

EXHIBIT A

PHYSICIAN SERVICES, COMPENSATION & SCHEDULE

A.1 **Services.** Physician shall provide professional medical hospitalist Services at the Facilities as specified by SBHCD on the terms set forth below:

A.1.1 **Hospitalist Coverage Panel.** Physician shall serve as a member and equal participant of the Hospital Coverage Panel. Physician shall provide Services as mutually agreed by the parties, but at a minimum level such that the Hospitalist Coverage Panel will provide:

A.1.1.1 Two 12-hour onsite day shifts (7:00 AM to 7:00 PM, or such other times as the parties agree), 365 days per year at the Hospital.

A.1.1.2 One 12-hour on-call night shift (7:00 PM to 7:00 AM, or such other times as the parties agree) 365 days per year at the Hospital.

A.1.1.3 Hospitalist services at the Clinics and SNFs on a mutually agreed upon schedule to be determined within ninety (90) days of the Effective Date. Provided, Physician will only be required to provide Services at the Clinics and SNFs if the parties enter into a separate agreement (or addendum to this Agreement) requiring such Services.

A.1.2 **Preparation of Hospitalist Coverage Panel Schedule.** Parties agree that Natalie LaCorte, M.D. in conjunction with Jiwu Sun, M.D., will compile the schedule for the Hospitalist Coverage Panel. This schedule will detail the availability and necessary arrangements for delivering Services. Notwithstanding, SBHCD reserves the right to approve or request modifications to the proposed schedule to ensure it meets operational and compliance requirements.

A.1.3. **Specialty Services.** Physician shall provide the following hospitalist Services:

Primary management of the care of general inpatient medical admissions, including patients admitted at the request of attending or referring physicians; responding to unassigned patients and providing cross-coverage between departments; family conferences as requested in consultation with social services; consultations, upon request, for members of the Hospital's Medical Staff; and assistance with the management and treatment of patients for whom Physician is responsible as head of a multi-disciplinary team. When the patient has an attending/referring physician, Physician shall include such physician in decision making and keep such physician informed.

A.2 **Compensation.**

A.2.1 **Schedule and Rate.** Physician's compensation ("Compensation"), shall be paid on a monthly basis on SBHCD's standard payment cycle for similar agreements and shall be paid at the following rates:

A.2.1.1 On-site day shifts shall be paid at the rate of \$185.00/hour.

A.2.1.2 On-call night shifts shall be paid at the rate of \$82.50/hour.

On each anniversary of the Effective Date, the hourly rate then in effect shall be increased by 3% to reflect adjustments to the cost of living.

- A.2.2 **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.
- A.2.3 **Agreement Includes All Compensation from SBHCD.** Incorporated into Compensation, unless specifically excluded, are all the Physician's sources of practice revenues and income, including call coverage stipends, other hospital on-call fees, hospital stipends, and reading fees; 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.
- A.2.4 **Expenses.** Physician shall be solely responsible for all expenses incurred in the provision of Services except for those that are the responsibility of SBHCD pursuant to this Agreement. Notwithstanding, upon written application to SBHCD, SBHCD may, in its sole discretion, agree to reimburse Physician for continuing medical education (CME) course tuition and associated travel and meal expenses not to exceed \$2,500 per contract year, provided that Physician demonstrates that attending the CME would substantially further the interests of patient care at SBHCD.
- A.3 **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 and Clinic to ensure a continuing high level of patient care. To that end, Physician shall participate in functions/events from time to time, in support of the SBHCD Clinics and the SBHCD facilities. In addition, to assist in the recruitment and retention of highly skilled practitioners, upon SBHCD's request, Physician shall participate in recruitment meetings with SBHCD physician candidates. SBHCD shall reimburse Physician for reasonable meal expenses incurred as part of meeting with physician candidates hosted at the request of SBHCD.
- A.4 **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:
- A.4.1 Attendance at regular monthly meetings with SBHCD Clinic and Hospital leadership when requested to review any operational or quality issues.
- A.4.2 Timely completion of all incomplete inpatient records, including completion of all admission and discharge medication reconciliation.
Goal: As specified by Medical staff rules and regulations or hospital policy.
- A.4.3 Completion of all office visit notes within twenty-four (24) hours of visit.
Goal: As specified by Medical staff rules and regulations or hospital policy.
- A.4.4 Timely signing of orders.
Goal: As specified by Medical staff rules and regulations or hospital policy.
- A.4.5 Timely discharges summaries.
Goal: As specified by Medical staff rules and regulations or hospital policy.

- A.4.6 Commitment to use of SBHCD supported electronic health/medical record platforms.
- A.4.7 Compliance with all governmental and SBHCD quality reporting initiatives that may come into effect from time to time.
- A.4.8 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.

A.5 **Quality Metrics.** In addition to the practice guidelines and the best quality practices set forth in Section A.4, the parties shall, within ninety (90) days of the Effective Date, mutually agree on quality and performance metrics for the Services.

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RECEIVED
MAR 18 2026

11-33-700 70

Proposal by:
The Core Group
1510 S. Winchester Blvd.
San Jose, CA 95128

Project:
Hazel Hawkin Memorial Hospital Sterilizer
911 Sunset Drive
Hollister, CA 95023

Date: March 18th, 2026



Prepared by:
Ashlin Braddock, Project Executive
Mobile: 408-582-4840
Email: ashlinb@tcgbuilders.com

Rob Arago, Senior Estimator
Mobile: 408-228-2509
Email: roba@tcgbuilders.com

#1 Cost Proposal



PROJECT: Sterilizer Replacement
 LOCATION: 911 Sunset Dr., Hollister, CA 95023
 ARCHITECT: Treanor
 CLIENT: Hazel Hawkins Memorial Hospital

CORE JOB NO: -
 ESTIMATE NO: 1
 DATE: March 18, 2026
 ESTIMATOR: RJA

No.

1 GENERAL CONDITIONS COST

General Conditions		95,410
<hr/>		
JOBSITE MANAGEMENT SUBTOTAL		95,410

2 CONTRACTOR'S FEE / INSURANCE

Fee	4.25%	10,556
Insur.		4,223
<hr/>		
CONTRACTOR'S FEE / INSURANCE SUBTOTAL		14,779

3 ALLOWANCES

Shoring & Shoring Engineering		25,000
Allowance 2		0
Allowance 3		0
<hr/>		
CONTRACTOR'S FEE / INSURANCE SUBTOTAL		25,000

4 CONSTRUCTION COST BREAKDOWN

1	Infection Control	6,731
2	Site Requirements	37,859
3	Selective Interior Demo	7,672
4	Concrete	11,800
5	Rough Carpentry	14,978
6	Membrane Roofing	5,179
7	Sealants & Caulking	841
8	Doors/Frames/Hardware	6,188
9	Metal Studs & Drywall	28,185
10	Resilient Flooring	4,045
11	Painting	5,592
12	Miscellaneous Specialties	1,516
13	Equipment	6,323
14	Fire Protection	12,528
15	Plumbing	61,051
16	HVAC	20,208
17	Electrical	17,691
<hr/>		
	CONSTRUCTION COST BREAKDOWN SUBTOTAL	\$ 248,386

TOTAL BID PROPOSAL **\$ 383,575**

Owner/Design Contingency 10.00% 38,358



ALTERNATES
Sterilizer Replacement

PROJECT: Sterilizer Replacement
LOCATION: 911 Sunset Dr., Hollister, CA 95023
ARCHITECT: Treanor
CLIENT: Hazel Hawkins Memorial Hospital

CORE JOB NO: -
ESTIMATE NO: 1
DATE: March 18, 2026
ESTIMATOR: RJA

No.	DESCRIPTION	ADD/DEDUCT	TOTAL
<u>LIST OF ALTERNATES</u>			
1	P&P Bond	ADD \$	4,600

END ALTERNATES



Hazel Hawkins

MEMORIAL HOSPITAL

STERILIZER REPLACEMENT

911 Sunset Drive
Hollister, California 95023

ATTENTION: TIMOTHY VON URFF
Project Manager
Hazel Hawkins Memorial Hospital

The CORE Group

Commercial General Contractor

Founded in 2004, the Core Group quickly established a solid reputation as the contractor of choice for an array of clients and projects throughout the Bay Area. With a seasoned team of professional builders, they are the ideal match for mission critical projects in high tech, healthcare, bio-pharma, corporate office, and higher education. Not only are they bullet smart, The Core Group makes the building process fun. They love what they do, and it shows.



GENERAL

1. Project scope includes installation and anchorage of Owner Provided Sterilizer Equipment. Work involves re-framing an existing bearing wall to provide equipment clearance, seismic anchorage and utility connections within the Hospital. Includes new infrastructure and anchorage of equipment. Work will occur within occupied Hospital located at 911 Sunset Drive in Hollister, California.
2. This estimate is based on starting construction in the field on or before the end of the 2nd Quarter 2026 with a 7-week duration. Schedule based on 1 Phase, assumes a single mobilization.
3. We have assumed space within project scope will be free and clear of all furniture and Owner supplies. We have assumed space will be ready for work when G.C. mobilizes on site.
4. Clean-up debris created by this scope of work and place in dumpster.
5. We have assumed the existing building meets current codes. We assume no upgrades to existing building systems, structure, MEP, or ADA requirements.
6. All work to be completed during regular work hours. After hours, premium time is not included.
7. The site is assumed to be in compliance with ADA accessibility standards, and no ADA modifications are anticipated.
8. We have assumed space will be unoccupied while construction work is being completed.
9. This proposal is based on the following:
 - Sterilizer Replacement 100% CD Drawings prepared by Treanor dated November 11, 2025.
 - Addendum 1 prepared by Treanor dated February 19, 2026.
 - Pre-bid Walk/Meeting; February 24, 2026.

ALLOWANCES

“Allowances” are considered to be an allotted sum of money for a particular system or scope of work for which sufficient detail is not available to determine a definitive cost. A reasonable estimate for an assumed scope and quality is included as a placeholder. The owner receives the savings for any amount under the allocation and is at risk for any amount over the allocation.

- | | |
|----------------------------------|-----------|
| 1. Shoring & Shoring Engineering | \$ 25,000 |
|----------------------------------|-----------|

ALTERNATES

Alternates are not included in the Base Bid. The following items will be either Additive or Deductive to the Base Bid if selected.

- | | | |
|-------------------------------|------------|----------|
| 1. Payment & Performance Bond | ADD | \$ 4,600 |
|-------------------------------|------------|----------|

CLARIFICATIONS / QUALIFICATIONS

In addition to the qualifications and assumptions listed below, refer to estimate detail for additional assumptions.

Demolition

1. Demo Finishes as required.
2. Demo Slab on Grade for Plumbing.
3. Demo/Shore bearing wall.
4. Safe-off MEP/FP
5. Off-haul debris.

Rough Carpentry

1. A. Labor, materials, equipment and services to distribute and install the following:
 - a) Install PSL beam and posts. Per detail 1-S3.01
 - b) Install 2xtop plates. Per Detail 6-A900
 - c) Frame for fan. Per detail 7-M6.1. No curb figured
 - d) Simpson wood framing catalog items
2. Labor to distribute and install the following items that will be furnished by others:
 - a) Miscellaneous metals, bolts, nuts and washers for wood to wood, wood to concrete and wood to steel connections.
3. Miscellaneous:
 - a) Fork-lifts, cranes and equipment as necessary to install.
 - b) Includes Shoring and Shoring Engineering Allowance.

Roof Patch

1. Roof in (1) Exhaust Fan Curb NTE 1 ½' x 1 ½' per M2.2 and 5/A900
 - a) Screw fan to curb & seal with roof cement by others
 - i) Furnish and install insulation and coverboard to match (E); Adhered
 - ii) Furnish and install cant strip at the bottom perimeter of the curb; Fastened
 - iii) Furnish and install a new SA base sheet
 - iv) Furnish and install a new SA capsheet; Fasten at the top of the curb
 - v) Furnish and install a three-layer liquid membrane at the bottom perimeter
 - vi) Furnish and install a new UV coating from the bottom perimeter to the top of the curb to match (E)
 - b) Note: Detail 5/A900 calls out single-ply roofing at the exhaust fan curb, but my site visit on 2/24/2026 determined that the roofing at the project location is Built-Up Roofing with coating. The scope above reflects this.

Doors/Frames/Hardware

1. Remove (1) Existing Door and Frame to be stored on site and reinstalled at a later date.

Metal Studs & Drywall

2. (2) Access panel 12" x 12"
3. Hilti bottom track sill CFS TTs firestop if needed. At new wall.
4. Temporary fire resistance drywall at fire rated walls or ceilings allowance. Addendum 1 (1.8)
5. 5/8 mold tough at existing wood framing.
6. Drywall patch work ceiling new MEP openings.
7. 5/8 gyp at existing ceiling framing.

8. New r-11 fiberglass batt insulation to new wall.
9. Match existing finish.
10. Fire caulk at head of wall and bottom sill of new walls.
11. Drywall at wood beam.
12. Wall demo scars.
13. Stocking and clean up.
14. 5/8 type x drywall at new walls.

Flooring

1. Installation of sheet vinyl, cove and heat weld.
2. New sheet vinyl with integral cove base to match existing.
 - a. No spec provided for existing SV
 - b. Assume 6'-6" wide patch.
 - c. Minimum 5" integral cove base or match existing base height (not specified) per A900, Detail #1 & A101 Keynote P04.

Paint

1. Please reference OST for scope covered within this pricing.
2. Painted gyp ceilings
3. Painted doors and frames
4. Painted Gyp walls
5. Assumes Caulking at penetrations to be by others
6. Priced to Use PPG Paint
7. General Inclusions:
 - a. Labor and Material
 - b. Gyp. Walls and Ceilings
 - c. Painted Doors and Frames
 - d. Caulking per PDCA Industry Standards
 - e. Protection as Needed for Painting Activities
 - f. Access Equipment

Miscellaneous Specialties

1. Supply & Install (2) Corner Guards.
2. Acrovyn 3" wing SM20N corner guard 2 ea.

Equipment Anchorage

1. Anchor Owner Provided Equipment Plates.
2. Includes Layout, Concrete Scanning, Drilling and Anchor Bolts as detailed.
3. Anchor Owner Provided Equipment Plates.

Fire Protection

1. Seamless Fire Protection is pleased to offer for your consideration the following proposal to
2. Provide drawing, permit, labor and materials
3. Relocate pendent sprinklers for new interior walls at the above-mentioned facility.
4. New heads to match existing.

Plumbing

1. Supply & install (1) FS-1 Floor Sink in (e) Equipment for (e) Machine room as per plan.
2. Supply & install (1) FD-1 Floor Drain w/ trap primer for (e) Equipment Machine room as per plan.
3. Remove & replace for New (1) MSF-1 Faucet for (1) existing Mop Sink as per plan.
4. Supply & install (1) 1" Zurn Backflow Preventor w/ Drain as per plan.
5. Supply & install (1) 2" POC connections for Water Supply to Owner Tool as per plan.
6. Supply & install (1) 1-1/4" HPS Supply to (e) POC 1-1/4" to Owner Furnished Tool as per plan.
7. Supply & install (1) Owner furnished Filter for Sterilizer tool as per plan. Note: Steam Filters & Steam Traps not included. Note: Chlorination not included by others.
8. Supply & install (1) 3/4" HPS return Supply to (e) 3/4" POC as per plan.
9. Supply & install (1) New 1.5" Sterilizer Drain to New Floor Sink as per plan.
10. All associated Sewer Drain & Vent Piping.
11. All associated Water Piping for the Owner furnished tool.
12. All associated Ball Valves & Fittings, Gauges for the owner tool.
13. All associated Supports. Note: Steam Filters & Steam Traps not included. Note: Freeze of Water Lines Not included.
14. Prevailing wages.
15. Labels.
16. Testing.
17. Warranty.
18. Scanning

HVAC

19. Demo
 - a) Remove Ceiling mounted exhaust fan and ducting
20. HVAC
 - a) Provide and install (1) roof top exhaust fan and curb
 - b) Provide and install 12in ducting from roof down to ceiling register with Ruskin Radiation damper
 - c) Provide and install transfer grill system.
21. Air Balance
 - a) Test and balance (1) Exhaust fan
22. Warranty: All material and labor supplied comes with a full 1-Year warranty from the date installed.

Electrical

1. DEMO
 - a. Demo two existing can lights and salvage circuit for reuse.
 - b. Salvage existing power circuit feeder for reuse per note 6 on sheet E301
 - c. Salvage existing sterilizer 120 V control power circuit for reuse, per note 10 on sheet E301
2. LIGHTING
 - a. Furniture installed (2) new type A light fixtures
 - b. Reconnect (2) new light fixtures to salvaged critical branch lighting circuit, per note 3 on sheet E401
3. POWER
 - a. Furnish and install (1) 120V duplex receptacle sharing the existing power circuit.
 - b. Furnish and install (1) NEMA 3R heavy-duty fused disconnect with 5A fuses

- c. Provide 480V 5A motor power connection
- d. Provide a 120V 50VA j-box for sterilizer control power
- e. Provide 120V power for the Exhaust Fan-11 on the roof
- f. Provide heavy duty, NEMA3R, 10A rated fused disconnect on the roof
- g. Furnish and install (1) 120V maintenance receptacle on the roof
- h. Connect roof receptacle power to existing maintenance receptacle circuit located within the Sterilizer Room
- i. Connect roof exhaust fan and disconnect power to circuit A-17 located within the sterilizer room
- j. Furnish and install conduit, fittings, supports, and wire as required for a code compliant install.

EXCLUSIONS

1. Architect/Structural Design Fees.
2. City, County or State Permits and fees.
3. City Planning fees.
4. Our price is based upon the Owner purchasing Builder's Risk Coverage equivalent to AIA A102-2017 Exhibit A insurance requirements. This policy shall include the Owner, General Contractor and Subcontractors of every tier as insureds. The Owner is responsible for all loss caused by Acts of God including earthquake and flood. Owner is responsible for all deductibles unless expressly agreed otherwise in this Agreement.
5. Payment and Performance bond and cost of is excluded.; See Alternates.
6. Third Party Testing and inspection.
7. Premium Time or Overtime.
8. Reproduction and Blueprinting Costs.
9. Cost of security / guard service and badging.
10. Structural / Seismic Upgrades to existing structure other than what is indicated.
11. Identification, handling, Mitigation of all Contaminated and hazardous materials and work related with them (Including contaminated soil, asbestos, lead paint, mold, testing, fees and permits).
12. Un-foreseeable subsurface concealed conditions or any other conditions not shown on the drawings.
13. Repairs or modifications to existing code violations.
14. We assume existing Site and Building are ADA compliant. Improvements to existing accessibility (Site, Restrooms, and Access etc.) are not included.
15. Interior Signage & Graphics.
16. Furniture, partitions, fixtures and equipment and their associated installation cost.
17. Removal or relocation of existing owner furniture and fixtures.
18. Survey and repair of existing HVAC equipment.
19. Security wiring & equipment
20. AV Wiring & Equipment
21. Consumption costs for power & water.
22. **No fire alarm work or conduit; No changes required for proposed work.**
23. **Voice and data cabling and terminations, equipment or devices; by Owner.**
24. **Steam Filters & Steam Traps; by Vendors direct to HHMH.**
25. **Furnish/Move/Set Sterilizer Equipment, by Others; TCG will work with Vendor to coordinate layout and will anchor equipment.**
26. **Final Equipment Connections, Start-up, & Testing; by Others.**
27. **Wall/Door Demo and protection of existing finishes along Path of Travel for Equipment Move.**

- END BASIS OF ESTIMATE -

#2 Bid Bond



Bid Bond

CONTRACTOR:

(Name, legal status and address)

TCG Builders, Inc. dba The CORE Group
1510 S. Winchester Blvd.
San Jose, CA 95128

SURETY:

(Name, legal status and principal place of business)

Harco National Insurance Company
1701 Golf Rd Ste 1-600.
Rolling Meadows, IL 60008-4241

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification. Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

OWNER:

(Name, legal status and address)

San Benito Health Care District
911 Sunset Drive
Hollister, CA 95023

BOND AMOUNT: Ten Percent of Amount Bid (10% of amount bid)

PROJECT:

(Name, location or address, and Project number, if any)

Sterilizer Replacement
Hazel Hawkins Memorial Hospital, 911 Sunset Drive, Hollister CA 95023

Project Number, if any: S252045-35-00

The Contractor and Surety are bound to the Owner in the amount set forth above, for the payment of which the Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein. The conditions of this Bond are such that if the Owner accepts the bid of the Contractor within the time specified in the bid documents, or within such time period as may be agreed to by the Owner and Contractor, and the Contractor either (1) enters into a contract with the Owner in accordance with the terms of such bid, and gives such bond or bonds as may be specified in the bidding or Contract Documents, with a surety admitted in the jurisdiction of the Project and otherwise acceptable to the Owner, for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof; or (2) pays to the Owner the difference, not to exceed the amount of this Bond, between the amount specified in said bid and such larger amount for which the Owner may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect. The Surety hereby waives any notice of an agreement between the Owner and Contractor to extend the time in which the Owner may accept the bid. Waiver of notice by the Surety shall not apply to any extension exceeding sixty (60) days in the aggregate beyond the time for acceptance of bids specified in the bid documents, and the Owner and Contractor shall obtain the Surety's consent for an extension beyond sixty (60) days.

If this Bond is issued in connection with a subcontractor's bid to a Contractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Project, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

Signed and sealed this 10th day of March, 2026.


(Witness)

TCG Builders, Inc. dba The CORE Group
(Principal) *(Seal)*


(Title) President

Harco National Insurance Company
(Surety) *(Seal)*

(Witness)


(Title) Elizabeth Collodi, Attorney-in-Fact



By arrangement with the American Institute of Architects, the National Association of Surety Bond Producers (NASBP) (www.nasbp.org) makes this form document available to its members, affiliates, and associates in Microsoft Word format for use in the regular course of surety business. NASBP vouches that the original text of this document conforms exactly to the text in AIA Document A310-2010, Bid Bond. Subsequent modifications may be made to the original text of this document by users, so careful review of its wording and consultation with an attorney are encouraged before its completion, execution or acceptance.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Butte

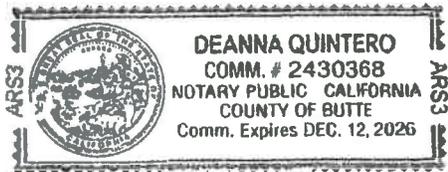
On March 10, 2026 before me, Deanna Quintero, Notary Public
(insert name and title of the officer)

personally appeared Elizabeth Collodi
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature] (Seal)



POWER OF ATTORNEY

Bond # N/A

**HARCO NATIONAL INSURANCE COMPANY
INTERNATIONAL FIDELITY INSURANCE COMPANY**

Member companies of IAT Insurance Group, Headquartered: 4200 Six Forks Rd, Suite 1400, Raleigh, NC 27609

KNOW ALL MEN BY THESE PRESENTS: That **HARCO NATIONAL INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of Illinois, and **INTERNATIONAL FIDELITY INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of New Jersey, and having their principal offices located respectively in the cities of Rolling Meadows, Illinois and Newark, New Jersey, do hereby constitute and appoint

ELIZABETH COLLODI, JASON MARCH, SARA WALLISER, CASSANDRA MEDINA, BREANNA BOATRRIGHT, DEANNA QUINTERO, SAMANTHA WATKINS, KATHLEEN LE, R. KAILANY, TONY CLARK, BILL RAPP, JOHN HOPKINS, JENNIFER LAKMANN, MINDY WHITEHOUSE, JOHN WEBER, PHIL WATKINS, STEVEN L. WILLIAMS, MATTHEW FOSTER, SHARON SMITH

Chico, CA

their true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal offices.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of the By-Laws of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** and is granted under and by authority of the following resolution adopted by the Board of Directors of **INTERNATIONAL FIDELITY INSURANCE COMPANY** at a meeting duly held on the 13th day of December, 2018 and by the Board of Directors of **HARCO NATIONAL INSURANCE COMPANY** at a meeting held on the 13th day of December, 2018.

***RESOLVED**, that (1) the Chief Executive Officer, President, Executive Vice President, Senior Vice President, Vice President, or Secretary of the Corporation shall have the power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Corporation and affix the Corporation's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any such Officers of the Corporation may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-fact with authority to execute waivers and consents on behalf of the Corporation; and (3) the signature of any such Officer of the Corporation and the Corporation's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seals when so used whether heretofore or hereafter, being hereby adopted by the Corporation as the original signature of such officer and the original seal of the Corporation, to be valid and binding upon the Corporation with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** have each executed and attested these presents on this 31st day of December, 2025



STATE OF NEW JERSEY
County of Essex

STATE OF ILLINOIS
County of Cook



Michael F. Zurcher

Executive Vice President, Harco National Insurance Company
and International Fidelity Insurance Company

On this 31st day of December, 2025, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY**; that the seals affixed to said instrument are the Corporate Seals of said Companies; that the said Corporate Seals and his signature were duly affixed by order of the Boards of Directors of said Companies.

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.



Cathy Cruz a Notary Public of New Jersey
My Commission Expires April 16, 2029

CERTIFICATION

I, the undersigned officer of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Sections of the By-Laws of said Companies as set forth in said Power of Attorney, with the originals on file in the home office of said companies, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand on this day, March 10, 2026

A00447

Irene Martins, Assistant Secretary

#3 HCAI Experience & Qualifications



HCAI Experience & Qualifications

Founded in 2004, The Core Group quickly established a solid reputation as the contractor of choice for an array of clients and projects throughout the Bay Area. With a seasoned team of professional builders, we're passionate and ready to help on your next project.

Current project onsite:

Our team is currently working in the hospital on the **Lab Phase 2 project**.

We know the building and have a great relationship with the Hazel Hawkins team! We continue to be proactive with our infection control and containment, have great communication with the Hazel Hawkins team, Treanor and design team, and HCAI team. *The plan is to have the current TCG team (Jose Alcazar, Chrys Garica, Jesus Corona, Fernando Barragan, and Ashlin Braddock) continue onto the Sterilizer project.*

We look forward to a continued partnership with the hospital and hope to work with one another for years to come!

Experience/Similar projects:

- **Hazel Hawkins Memorial Hospital Lab Phase 2 – in construction with anticipated completion date 4/27/2026**
- Canterbury Woods Building E Interior Renovations – *in construction*
- Canterbury Woods Skilled Nursing Facility Fire Alarm
- Spring Lake Village Hot Water Repair & Interior refresh – *in construction*
- LPCH Nurse Call Replacement
- LPCH Endoscopy/OR Renovation
- Stanford Healthcare Omnicell Project
- Stanford Healthcare F1/F2 Infant Security WiFi
- Stanford Healthcare G1/H1 Refresh
- Stanford Healthcare ValleyCare MRI Trailer/Canopy
- Stanford Healthcare ValleyCare Flex Exam Room
- Stanford Healthcare ValleyCare TDR1C
- Stanford Healthcare ValleyCare TDR1B
- Stanford Healthcare ValleyCare ER Renovation
- Stanford Healthcare ValleyCare Fire Alarm Upgrade

Our team has completed similar projects successfully!

*Most of these projects were **multi-phase and in occupied facilities**. We understand the importance of HCAI projects and the level of detail required for infection control and communication to the team. Partnership with the client, design team, and IOR are critical to make each project a success.*

These are just a few and we'd love the opportunity to chat more about what we can do and how we can contribute value to this project.



#4 Preliminary Bid Schedule

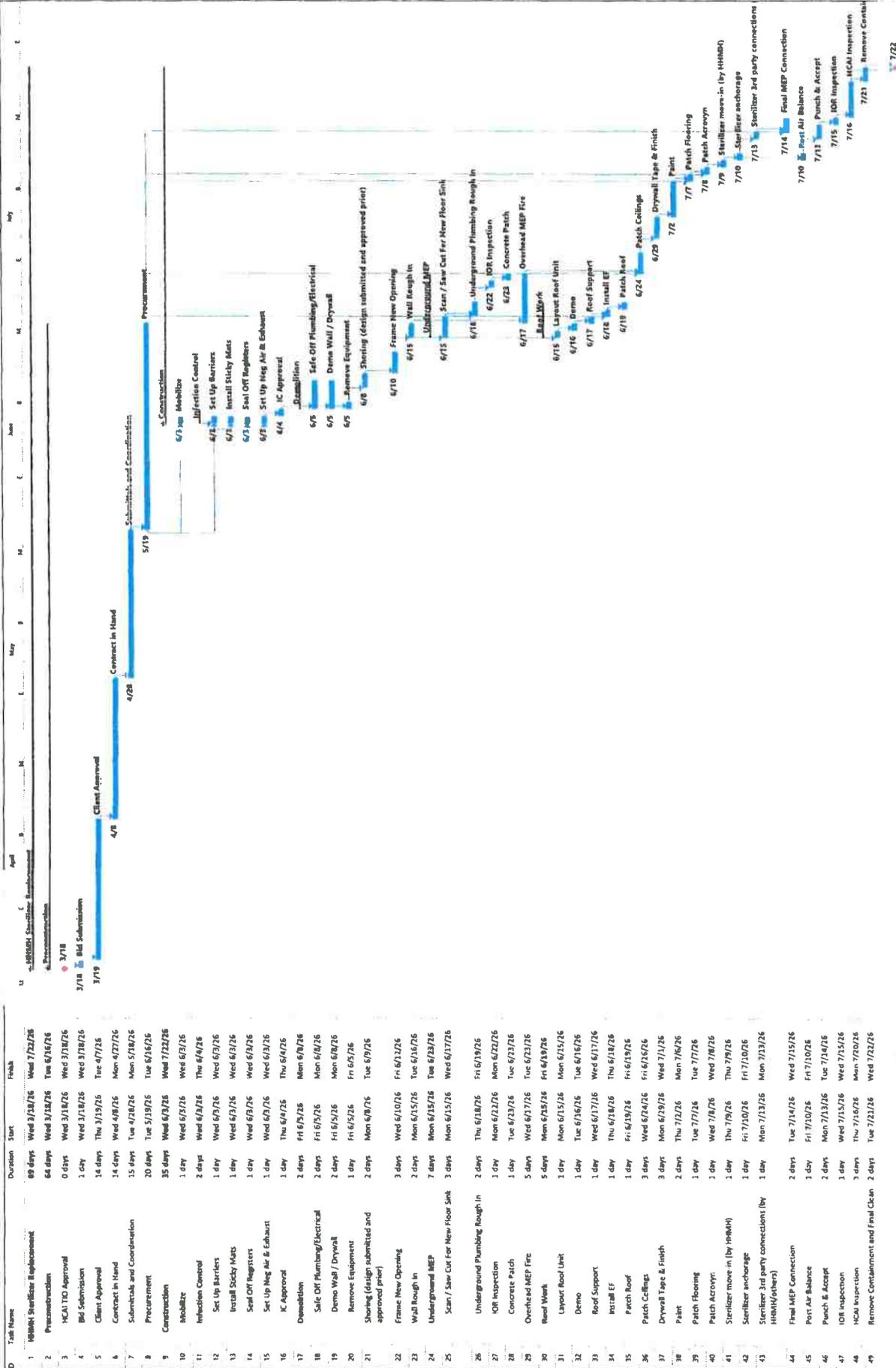
***We propose a 7-week schedule with a contract in hand by
4/27/2026 and estimated construction start date of 6/3/2026***

Please see attached for your review



Hazel Hawkins Memorial Hospital Sterilizer Project Schedule

Tue 3/17/26



Task Name	Duration	Start	Finish
1 HAZOP Sterilizer Replacement	89 days	Wed 3/18/26	Wed 7/22/26
2 Procurement	64 days	Wed 3/18/26	Tue 6/16/26
3 HCAI TIO Approval	0 days	Wed 3/18/26	Wed 3/18/26
4 BID Submission	1 day	Wed 3/18/26	Wed 3/18/26
5 Client Approval	14 days	Thu 3/19/26	Tue 4/7/26
6 Contract in Hand	14 days	Wed 4/8/26	Mon 4/27/26
7 Submittals and Coordination	15 days	Tue 4/20/26	Mon 5/18/26
8 Procurement	20 days	Tue 5/19/26	Tue 6/16/26
9 Construction	35 days	Wed 6/3/26	Wed 7/22/26
10 Mobilize	1 day	Wed 6/3/26	Wed 6/3/26
11 Infection Control	2 days	Wed 6/3/26	Thu 6/4/26
12 Set Up Barriers	1 day	Wed 6/3/26	Wed 6/3/26
13 Install Sticky Mats	1 day	Wed 6/3/26	Wed 6/3/26
14 Seal Off Registers	1 day	Wed 6/3/26	Wed 6/3/26
15 Set Up Neg Air & Exhaust	1 day	Wed 6/3/26	Wed 6/3/26
16 IC Approval	1 day	Thu 6/4/26	Thu 6/4/26
17 Demolition	2 days	Fri 6/5/26	Mon 6/8/26
18 Safe Off Plumbing/Electrical	2 days	Fri 6/5/26	Mon 6/8/26
19 Demo Wall / Drywall	2 days	Fri 6/5/26	Mon 6/8/26
20 Remove Equipment	1 day	Fri 6/5/26	Fri 6/5/26
21 Shoring (design submitted and approved prior)	2 days	Mon 6/8/26	Tue 6/9/26
22 Frame New Opening	3 days	Wed 6/10/26	Fri 6/12/26
23 Wall Rough In	2 days	Mon 6/15/26	Tue 6/16/26
24 Underground MEP	7 days	Mon 6/15/26	Tue 6/23/26
25 Scan / Saw Cut For New Floor Sink	3 days	Mon 6/15/26	Wed 6/17/26
26 Underground Plumbing Rough In	2 days	Thu 6/18/26	Fri 6/19/26
27 IOR Inspection	1 day	Mon 6/22/26	Mon 6/22/26
28 Concrete Patch	1 day	Tue 6/23/26	Tue 6/23/26
29 Overhead MEP Fire	5 days	Wed 6/17/26	Tue 6/23/26
30 Roof Work	5 days	Mon 6/23/26	Fri 6/26/26
31 Layout Roof Unit	1 day	Mon 6/15/26	Mon 6/15/26
32 Demo	1 day	Tue 6/16/26	Tue 6/16/26
33 Roof Support	1 day	Wed 6/17/26	Wed 6/17/26
34 Install EF	1 day	Thu 6/18/26	Thu 6/18/26
35 Patch Ceiling	1 day	Fri 6/19/26	Fri 6/19/26
36 Patch Ceiling	3 days	Wed 6/24/26	Fri 6/26/26
37 Drywall Tape & Finish	3 days	Mon 6/29/26	Wed 7/1/26
38 Paint	2 days	Thu 7/2/26	Mon 7/6/26
39 Patch Flooring	1 day	Tue 7/7/26	Tue 7/7/26
40 Patch Acroyn	1 day	Wed 7/8/26	Wed 7/8/26
41 Sterilizer move-in (by HMAH)	1 day	Thu 7/9/26	Thu 7/9/26
42 Sterilizer anchorage	1 day	Fri 7/10/26	Fri 7/10/26
43 Sterilizer 3rd party connections (by HMAH/others)	1 day	Mon 7/13/26	Mon 7/13/26
44 Final MEP Connection	2 days	Tue 7/14/26	Wed 7/15/26
45 Post Air Balance	1 day	Fri 7/10/26	Fri 7/10/26
46 Punch & Accept	2 days	Mon 7/13/26	Tue 7/14/26
47 IOR Inspection	1 day	Wed 7/15/26	Wed 7/15/26
48 HCAI Inspection	3 days	Thu 7/16/26	Mon 7/20/26
49 Remove Containment and Final Clean	2 days	Tue 7/21/26	Wed 7/22/26
50 Substantial Completion	0 days	Wed 7/22/26	Wed 7/22/26

#5 Logistics Plan





TRENTON
 311 CITY OF TRENTON, NJ
 100 N. 2ND ST., 3RD FLOOR
 TRENTON, NJ 08646
 PHONE: 609.982.1234
 FAX: 609.982.1235
 WWW.CITYOFTRENTON.NJ.GOV

- LIFE SAFETY LEGEND**
- ① 1/4" (6.35mm) THICK BARRICADE
 - ② 1/2" (12.7mm) THICK BARRICADE
 - ③ 1" (25.4mm) THICK BARRICADE
 - ④ CONCRETE
 - ⑤ ACCESSIBILITY (1/2" DIA.)
 - ⑥ OCCUPANT'S FLOOR REPRESENTATION
 - ⑦ FLOOR FINISH
 - ⑧ FLOOR AT CHANGE
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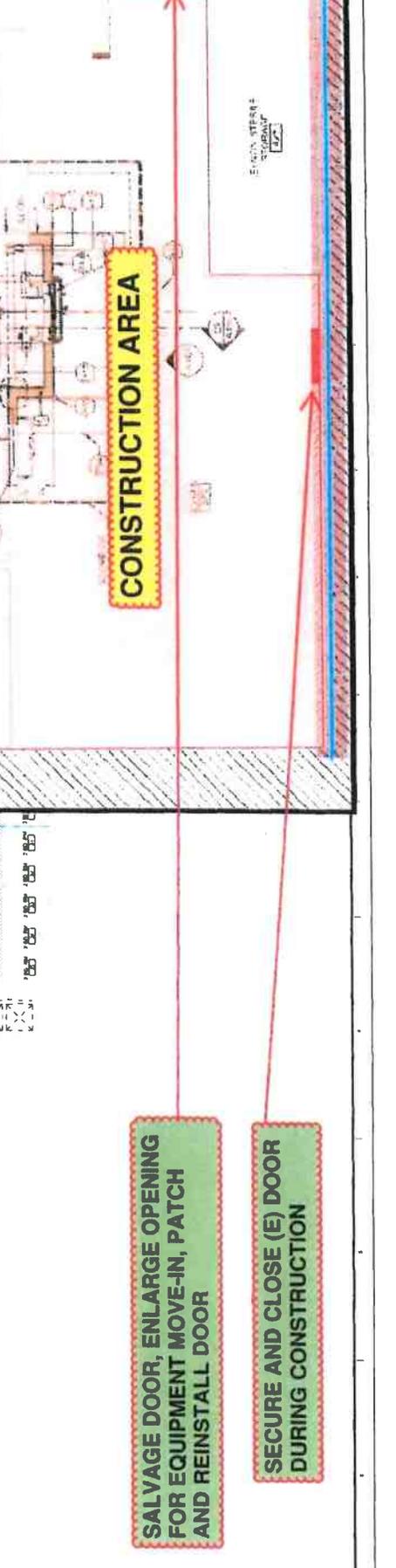
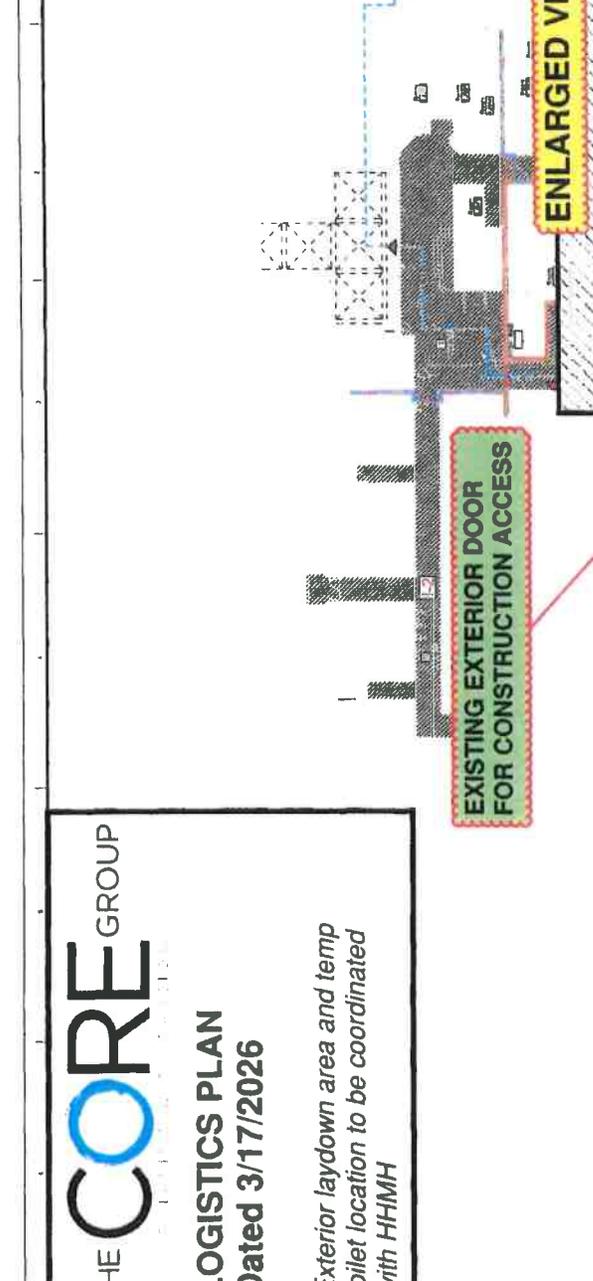
1/4" (6.35mm) THICK BARRICADE
 1/2" (12.7mm) THICK BARRICADE
 1" (25.4mm) THICK BARRICADE
 CONCRETE
 ACCESSIBILITY (1/2" DIA.)
 OCCUPANT'S FLOOR REPRESENTATION
 FLOOR FINISH
 FLOOR AT CHANGE

X
 X
 X

THE CORE GROUP

LOGISTICS PLAN
 Dated 3/17/2026

Exterior laydown area and temp toilet location to be coordinated with HHMH



#6 Sample Logistics and Infection Control Plans (from HHMH Lab Phase 2 project)

- ***Site Logistics plan dated 8/1/25 SAMPLE***
- ***Infection control plan dated 8/15/25 SAMPLE***



REV	DATE	DESCRIPTION	BY
1	08/11/21	REVISED PER RFP	TCG
2	08/11/21	REVISED PER RFP	TCG

DATE: 08/11/21

**SITE
LOGISTICS
PLAN**

SCALE: AS SHOWN

CORE

4. ALL DISTANCES ARE APPROXIMATE



NOTES:

1. ASSUME 6:30 AM START TIME.
2. EMERGENCY EVAC AREA REPRESENTS A CLEAR LOCATION WHERE TCG TEAM AND AFFILIATES WILL GATHER IN THE CASE OF AN EMERGENCY.
3. TCG AND SUBCONTRACTOR PERSONNEL WILL UTILIZE THE GENERAL PARKING STALLS ON A 'FIRST-COME, FIRST SERVED' BASIS.

LEGEND

- GC/SUBCONTRACTOR PARKING
- TEMP TOILETS / HANDWASHING STATION
- MATERIAL LAYDOWN AREA
- EMERGENCY EVACUATION AREA
- FENCED AREA (DOUBLE LINE = GATE)
- PATH OF TRAVEL TO WORK AREA

RESOLUTION NO. 2026-11

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SAN BENITO HEALTH CARE DISTRICT
AUTHORIZING INVESTMENT OF MONIES IN THE
LOCAL AGENCY INVESTMENT FUND**

WHEREAS, on October 1, 1957, the San Benito County (“County”) Board of Supervisors adopted Resolution No. 29-57 granting a petition that a portion of the County be organized as a local hospital district pursuant to the terms of California Health and Safety Code Division 23, Sections 32000-32492 (“Local Hospital District Law”);

WHEREAS, pursuant to County Resolution No. 29-57, the County created the “San Benito Hospital District”;

WHEREAS, pursuant to Assembly Bill 1169, Chaptered September 21, 1994, any reference in any statute to the Local Hospital District Law shall be deemed a reference to the Local Health Care District Law, and any reference in any statute to a hospital district shall be deemed to be a reference to a health care district (Health & Safety Code section 32000);

WHEREAS, pursuant to Local Health Care District Law, any reference to “hospital district” or “district” shall mean “health care district” (Health & Safety Code section 32000.1);

WHEREAS, with the legislation, the San Benito Hospital District was changed to the “San Benito Health Care District” (“District”);

WHEREAS, pursuant to California Government Code Section 16429.1, a Local Agency Investment Fund (“LAIF”) in the State Treasury was created for the deposit of money of a local agency for purposes of investment by the State Treasurer;

WHEREAS, pursuant to District Resolution 2003-06, the District Board of Directors (“Board”) authorized deposit and withdrawal of the District monies in LAIF in accordance with the provisions of Section 16429.1, finding it to be in the best interests of the District;

WHEREAS, District administration now recommends the Board again utilize LAIF for the purpose of investment;

WHEREAS, the Board determines that the following District positions shall be authorized to order the deposit or withdrawal of monies in LAIF: Mary Casillas, Chief Executive Officer; Mark Robinson, Chief Financial Officer, and Sandra DiLaura, Controller, or their successors in office; and

WHEREAS, this Resolution is not defined as a project under the California Environmental Quality Act (“CEQA”), set forth at Public Resources Code Section 21065, Section 15378 of the State CEQA Guidelines, because District participation in LAIF will not

cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

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

1. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.
2. The Board does hereby find that the deposit and withdrawal of money in LAIF in accordance with the provisions of Government Code Section 16429.1 for the purpose of investment as stated therein is in the best interests of the District.
3. The Board determines the following District positions shall be authorized to order the deposit or withdrawal of monies in LAIF: Mary Casillas, Chief Executive Officer; Mark Robinson, Chief Financial Officer; and Sandra DiLaura, Controller, or their successors in office.
4. District Administration is directed to take any and all actions, including executing relevant documents, to carry out the intent of this Resolution.
5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 26th day of March, 2026 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

William Johnson, President

Attested: _____

Nick Gabriel, DO, Secretary



**California State Treasurer's Office
Local Agency Investment Fund (LAIF)**

Authorization for Transfer of Funds

Effective Date
03/23/26

Agency Name
San Benito Health Care District

LAIF Account #
20-35-001

Agency's LAIF Resolution # 2026-11 or Resolution Date _____

ONLY the following individuals whose names appear in the table below are hereby authorized to order the deposit or withdrawal of funds in LAIF. **This authorization REPLACES AND SUPERSEDES all prior authorizations on file with LAIF for the transfer of funds.**

Name	Title
Mark Robinson	Chief Financial Officer
Sandra DiLaura	Controller
Mary Casillas	Chief Executive Officer

Two authorized signatures required. Each of the undersigned certifies that he/she is authorized to execute this form under the agency's resolution, and that the information contained herein is true and correct.

Signature

Print Name

Title

Phone Number

Signature

Print Name

Title

Phone Number

Please provide email address to receive LAIF notifications.

Name	Email
Sandra DiLaura	sdilaura@hazelhawkins.com
Mark Robinson	mrobinson@hazelhawkins.com

Please email the completed form for review to laif@treasurer.ca.gov and allow 2 days for a response. **DO NOT** mail the original form until you receive approval.
 Mail the approved form to: CA State Treasurer's Office
 Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001

RESOLUTION NO. 2026-10

**RESOLUTION OF THE BOARD OF DIRECTORS OF
SAN BENITO HEALTH CARE DISTRICT
APPROVING AN AMENDMENT TO THE MEMORANDUM OF
UNDERSTANDING WITH THE ENGINEERS AND SCIENTISTS OF
CALIFORNIA, LOCAL 20, IFPTE**

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

WHEREAS, the District, acting through its appointed negotiation team, and representatives of the Engineers and Scientists of California, Local 20, IFPTE (AFL-CIO & CLC) (“ESC”), a duly recognized employee organization representing certain regular part-time and regular full-time Clinical Laboratory Scientists and Medical Laboratory Technicians, excluding all temporary employees serving in the classifications of Clinical Laboratory Scientists and Medical Laboratory Technicians, management, confidential, supervisory, and all other District employees, met and conferred in good faith and fully communicated and exchanged information concerning wages, hours, and the terms and conditions of employment for contract years January 1, 2026 – December 31, 2028;

WHEREAS, the appointed representatives of the parties agreed on certain matters as provided in the tentative agreements (“Tentative Agreements”), attached hereto as Exhibit A, and recommend the District and ESC implement those Tentative Agreements and modify the existing Memorandum of Understanding with Hazel Hawkins Memorial Hospital (“MOU”);

WHEREAS, on March 20, 2026, the employees represented by ESC voted to ratify the proposed changes to the MOU, as set forth in the Tentative Agreements;

WHEREAS, the District Board of Directors (“Board”) has been presented with a summary of the Tentative Agreements;

WHEREAS, the Board has reviewed and evaluated the Tentative Agreements and authorizes the District to approve and adopt the MOU containing the Tentative Agreements, and authorizes the District Administration to take all steps to execute the necessary documents; and

WHEREAS, this Resolution is not defined as a project under the California Environmental Quality Act (“CEQA”), set forth at Public Resources Code Section 21065, Section 15378 of the State CEQA Guidelines, because amending the MOU will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

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

1. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.
2. The Board has hereby approved the Tentative Agreements set forth in Exhibit A for incorporation into the MOU for the period of January 1, 2026 – December 31, 2028.
3. District Administration is directed to take any and all actions, including executing relevant documents, to carry out the intent of this Resolution.
4. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 26th day of March, 2026 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

William Johnson, President

Attested: _____
Nick Gabriel, DO, Secretary

2025/2026 CEO Incentive Goals

FY 26 EBIDA %

EBIDA %	INCENTIVE %
8.0	1.00%
10.0	2.00%
12.0	3.00%

HCAHPS IP RATE 1-10 TOP BOX

12-MONTH ROLLING PERCENTILE RANK OCTOBER 2026	INCENTIVE %
64%	1.00%
65%	2.00%
66%	3.00%

SNF AVERAGE DAILY CENSUS

SNF Average Daily Census	INCENTIVE %
87 Patients	1.00%
88 Patients	2.00%

PROVIDER RECRUITMENT

	INCENTIVE %
4	2.00%