

Special Meeting of the Board of Directors, July 23, 2026



**SPECIAL MEETING OF THE BOARD OF DIRECTORS  
SAN BENITO HEALTH CARE DISTRICT  
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA  
THURSDAY, JULY 23, 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**

**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. 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.

Special Meeting of the Board of Directors, July 23, 2026

**4. 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:

- Special Meeting of the Board of Directors – June 9, 2026
- Special Meeting of the Board of Directors – June 22, 2026
- Regular and Special Meeting of the Board of Directors – June 25, 2026

B. Receive Officer/Director Written Reports

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

C. Approve Policies:

- Telemetry Monitoring – *Revised*
- Artificial Intelligence (AI) and Ambient Listening Policy – *Revised*
- Policy Management and Employee Acknowledgement - *New*

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

**5. Receive Informational Reports**

A. Chief Executive Officer (Verbal Report)

(Casillas)

- ▶ Public Comment

B. Chief Nursing Officer

- Dashboard June, 2026

- ▶ Public Comment

C. Chief Financial Officer – June, 2026

(Robinson)

- Project Dashboard
- Financial Statements
- Finance Dashboard
- Supplemental Payments
- Cashflow Statement YTD June, 2026

- ▶ Public Comment

Special Meeting of the Board of Directors, July 23, 2026

**6. Action Items**

A. Consider and Approve FYE 06/30/2027 Operating and Capital Budgets.

*Recommended Action: Approval of FYE 06/30/2027 Operating and Capital Budgets.*

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

B. Consider and Approve Proposal with RDL Construction, Inc. for MTCAP in the Amount of \$164,436.00.

*Recommended Action: Approval of Proposal with RDL Construction, Inc. for MTCAP in the Amount of \$164,436.00.*

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

C. Consider Process for Appointment for the Vacancy in District Zone 5, and Approve Formation of Ad Hoc Committee

*Recommended Action: Approval of Ad Hoc Committee Regarding Appointment for District Zone 5.*

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

**7. Public Comment**

(Johnson)

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

**8. Closed Session**

(Johnson)

See the Attached Closed Session Sheet Information

**9. Reconvene to Open Session**

(Johnson)

**10. Closed Session Report**

(Counsel)

**11. Adjournment**

(Johnson)

The next Regular Meeting of the Board of Directors is scheduled for Thursday, August 27, 2026 at 5:00 p.m., Great Room.

## Special Meeting of the Board of Directors, July 23, 2026

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

July 23, 2026

## 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 cases:**

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

- ☐ **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:**

**Employee organization:**

☐ **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
2. Report – Quality Assurance

☐ **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**

To: San Benito Health Care District Board of Directors  
 From: Amy Breen-Lema, Vice President, Clinic, Ambulatory & Physician Services  
 Date: July 13, 2026  
 Re: All Clinics – June 2026

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**May 2026 Rural Health and Specialty Clinics' visit volumes**

| Clinic Location           | Total visits<br>current month | Total visits<br>prior month<br>(May 2026) |
|---------------------------|-------------------------------|-------------------------------------------|
| Orthopedic<br>Specialty   | 529                           | 478                                       |
| Multi-Specialty           | 553                           | 472                                       |
| Sunset                    | 669                           | 690                                       |
| Surgery & Primary<br>Care | 321                           | 273                                       |
| San Juan Bautista         | 314                           | 319                                       |
| 1st Street                | 640                           | 638                                       |
| 4th Street                | 942                           | 844                                       |
| Barragan                  | 550                           | 531                                       |
| <b>Total</b>              | <b>4,518</b>                  | <b>4,245</b>                              |

- We welcomed two locum tenens family practice providers Barton Giessel, M.D. and Marvin Butler, PA-C to the First Street Clinic. They have been excellent additions to the team, quickly integrating into the practice and earning positive feedback from both patients and staff.
- Meditech Expanse Go Live preparations continue with staff trainings and ongoing workflow redesign.



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

| Southside                    | 2026        | Northside                    | 2026         |
|------------------------------|-------------|------------------------------|--------------|
| Total Number of Admissions   | 4           | Total Number of Admissions   | 2            |
| Number of Transfers from HHH | 4           | Number of Transfers from HHH | 1            |
| Number of Transfers to HHH   | 2           | Number of Transfers to HHH   | 1            |
| Number of Deaths             | 0           | Number of Deaths             | 2            |
| Number of Discharges         | 3           | Number of Discharges         | 1            |
| Total Discharges             | 3           | Total Discharges             | 3            |
| <b>Total Census Days</b>     | <b>1385</b> | <b>Total Census Days</b>     | <b>1,378</b> |

[illegible]

| Southside          | 2026     | Northside         | 2026     |
|--------------------|----------|-------------------|----------|
| Medicare           | 2        | Medicare          | 1        |
| Medicare MC        | 0        | Medicare MC       | 0        |
| CCA                | 1        | CCA               | 0        |
| Medical            | 0        | Medical           | 0        |
| Medi-Cal MC        | 0        | Medi-Cal MC       | 0        |
| Hospice            | 0        | Hospice           | 1        |
| Private (self-pay) | 0        | Private (self ay) | 1        |
| Insurance          | 0        | Insurance         | 0        |
| <b>Total:</b>      | <b>3</b> | <b>Total:</b>     | <b>3</b> |

#### 4. Total Patient Days by Payor: June 2026

| Southside                   | 2026         | Northside                   | 2026         |
|-----------------------------|--------------|-----------------------------|--------------|
| Medicare                    | 275          | Medicare                    | 37           |
| Medicare MC                 | 0            | Medicare MC                 | 0            |
| CCA                         | 1046         | CCA                         | 1114         |
| Medical                     | 14           | Medical                     | 111          |
| Medi-Cal MC                 | 0            | Medi-Cal MC                 | 0            |
| Hospice                     | 38           | Hospice                     | 100          |
| Private (self-pay)          | 12           | Private (self-pay)          | 16           |
| Insurance                   | 0            | Insurance                   | 0            |
| Bed Hold / LOA              | 8            | Bed Hold / LOA              | 0            |
| <b>Total:</b>               | <b>1393</b>  | <b>Total:</b>               | <b>1,378</b> |
| <b>Average Daily Census</b> | <b>46.43</b> | <b>Average Daily Census</b> | <b>45.93</b> |

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

Updates:

**Laboratory**

1. Quality Assurance/Performance Improvement Activities
  - Update on chemistry analyzer project → Analyzers installed in the permanent space. Estimated implementation of new chemistry analyzer → August 2026

2. Laboratory Statistics

|                                | June 2026 | 2026 YTD |
|--------------------------------|-----------|----------|
| Total Outpatient Volume        | 4273      | 26889    |
| Main Laboratory                | 1306      | 8021     |
| Mc Cray Lab                    | 1033      | 6154     |
| Sunnyslope Lab                 | 387       | 2616     |
| SJB and 4 <sup>th</sup> Street | 83        | 572      |
| ER and ASC                     | 1464      | 9526     |
| Total Inpatient Volume         | 145       | 974      |

**Diagnostic Imaging**

1. Quality Assurance/Performance Improvement Activities
  - Proposal preparation for new CT project. Site visit scheduled.
  - Imaging space planning meetings ongoing

2. Diagnostic Imaging Statistics

|                  | May 2026 | 2026 YTD |
|------------------|----------|----------|
| Radiology        | 1816     | 11920    |
| Mammography      | 674      | 4114     |
| CT               | 1053     | 6318     |
| MRI              | 215      | 1377     |
| Echocardiography | 101      | 648      |
| Ultrasound       | 711      | 4562     |



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

The Foundation Board of Directors did not meet July. Board meetings will reconvene in August.

**Finance Committee**

| <b>a. Financial Report</b> | <b>June</b>  |
|----------------------------|--------------|
| 1. Income                  | \$ 25,637.39 |
| 2. Expenses                | \$ 4,000     |
| 3. New Donors              | 6            |
| 4. Total Donations         | 190          |

**Directors Report:**

**Dinner Dance Committee**

While the Foundation Board did not meet in June, planning is well underway for our Annual Dinner Dance on November 7 at Leal Vineyards Barrel Room. This year's event will launch our new fundraising campaign:

**"Advanced CT Imaging for San Benito County –  
Together, We're Building the Future of Healthcare"**

Proceeds from this campaign will support the purchase of a new \$1 million CT imaging machine for Hazel Hawkins Memorial Hospital.

We are honored to recognize this year's award recipients:

**Donor of the Year:** Jeri Hernandez

**Business Donor of the Year:** Ann Marie Barragan, Inc.

**"Heart for Hazel" Award:** Amy Breen-Lema

Thanks to the incredible generosity of our community, more than **\$700,000** has already been raised toward our **\$1 million** goal. With your partnership, we can complete this campaign and bring advanced CT imaging to San Benito County. We hope you will join us as a sponsor of this special evening. Letters to past attendees and sponsors have been mailed. For more information, please call the Foundation office at 831-636-2653.

**Fundraising/Development Committee (INVEST Campaign)**

To date, the Foundation has received 3151 total donations totaling \$1,631,421.81.

# COMMUNICATIONS & MARKETING BOARD REPORT

MONTH /

## OUR MISSION

To build trust, strengthen relationships, and promote health and wellness in the communities we serve.

## KEY METRICS (YEAR TO DATE)



MEDIA  
MENTIONS



COMMUNITY  
EVENTS



SOCIAL MEDIA  
REACH

## PUBLIC RELATIONS



CEO Mary Casillas Community Foundation for community as part of a new series centered on health, issues and new federal policies.

HHH Woman's Center department participates in market event at Dunne Park. Distributed information and materials to families.



## MARKETING



### HIGHLIGHTS

- June 25, 2025 HHH highlighted it's volunteer physicians, PAs, NAI's for volunteering their time at the Hollister High School physical clinic. This team has been volunteering for the past 3 years.
- June 26, HHH participated in the Migrant Center Health Fair. Hundreds of local families attended the all-day event.



## COMMUNITY EXTERNAL COMMUNICATIONS



### HIGHLIGHTS

- July 1, 2026 KSBW News report on helmet safety and the effects on the brain when helmets are not used. Dr. Edwin Savvy was the health expert for KSBW on the 5pm, 6pm, 11pm and 6am newscast.
- July 2, 2026, KSBW shared the Bike Helmet Safety story with their own social media platforms which we shared as well which reached thousands of viewers



## EMPLOYEE INTERNAL COMMUNICATIONS

MEDITECH  
EXPANSE



Meditech Expanse transition take place.

Transition to staff includes staff trainings, website updates, emails, staff and patient letters and physician and employee newsletters.

Emergency Command Center for HHH Opens. Officially Opens. Communications department assisted with communications aspects for Command Center



## SOCIAL MEDIA POSTS



### HIGHLIGHTS

- June 27, 2026, From Rodeo Queen to Healthcare Queen received hundreds of likes and thousands of views.
- The post received dozens of positive comments as well.
- July 2, 2026, KSBW posted the Helmet Safety story on their social platforms and we shared the content.

## Project Dashboard - July 2026 Board

| Project Name                          | Purpose                                                    | Start Date | Go Live   | Duration | Status      | Priority | HCAI | Key Stakeholder     | Role                             | Update                                                                                                                                                   |
|---------------------------------------|------------------------------------------------------------|------------|-----------|----------|-------------|----------|------|---------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| BD Pharmacy Keeper                    | IV Compounding Verification                                | 11/14/2024 | 7/1/2026  | 594      | Completed   | High     |      | Naveen Ravela       | Pharmacy Director                | Ongoing technical meetings with BD and Meditech                                                                                                          |
| Lab Remodel                           | Lab Phase 2: Analyzer Replacement                          | 6/3/2024   | 7/1/2026  | 758      | In Progress | High     |      | Bernadette Enderez  | Lab/Radiology Director           | ABBOTT equipment installed, pending final HCAI/OSHPD sign off. Validation ongoing, units will go live when approved.                                     |
| Lab Remodel                           | Lab Phase 3/4: Remodel                                     | 3/1/2026   |           | TBD      | Ongoing     | High     |      | Bernadette Enderez  | Lab/Radiology Director           | Upcoming Milestones:<br>06/19/2026 Cost estimate<br>07/07/2026 100% DDs<br>09/04/2026 100% SDs                                                           |
| OR Remodel                            | Updating OR per OSHPD Requirements                         | 11/20/2024 | 1/29/2027 | 800      | Ongoing     | High     |      | Mendi Suber-Ventura | Director of Surgical Services    | Pending feasibility results from critical infrastructure study.                                                                                          |
| Seismic                               | Upgrade to Meet HCAI Seismic Compliance & Safety Standards | 11/1/2025  | 1/1/2033  |          | Ongoing     | High     |      | Jorge Ramirez       | Senior Director Support Services | Geotech work results pending. MT/CAP job walk scheduled 6/22.                                                                                            |
| Seismic (MTCAP for Original Hospital) | Upgrade to Meet HCAI Seismic Compliance & Safety Standards | 3/25/2026  | Fall '26  |          | In Progress | High     |      | Jorge Ramirez       | Senior Director Support Services | Mandatory job walk completed, pending bids from contractors.                                                                                             |
| 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       |          | Ongoing     | High     |      | Bernadette Enderez  | Lab/Radiology Director           | Meeting with design team: Reviewed existing conditions and multiple layout options. Optimizing for flexibility for future growth and equipment planning. |
| *Imaging Trailer Pad Make Ready       | Treanor to help when MP starts                             | 3/1/2026   | TBD       |          | In Progress | Medium   |      | Bernadette Enderez  | Lab/Radiology Director           | Pending HCAI design approval and contractor pricing.                                                                                                     |

## Project Dashboard - July 2026 Board

|                                      |                                                                                                                       |           |           |     |             |        |  |                     |                                        |                                                                                                               |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------|-----------|-----|-------------|--------|--|---------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------|
| *Verkada                             | Security / SSO + Door Access                                                                                          | 3/11/2025 | TBD       |     | In Progress | High   |  | Jorge Ramirez       | Senior Director Support Services       | Internal database build and scheduling for final card reader installation                                     |
| 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          | Bid awarded, scheduling started with architect and general contractor                                         |
| 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       |     | In Progress | High   |  | Jun Estrada         | Director of Physical Therapy           | Planning client review of the feasibility study results                                                       |
| 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 | 8/1/2026  | 431 | In Progress | High   |  | Jorge Ramirez       | Senior Director Support Services       | General Contractor on site an actively working on the project.                                                |
| 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.                                                           |
| Meditech Expanse MaaS Implementation | Electronic Health Record                                                                                              | 9/17/2025 | 7/1/2026  | 287 | Completed   | High   |  | Suzie Mays          | VP, Information and Strategic Services | Expanse MaaS is Live! Working with Meditech on workflow adjustments, data migration, and user support.        |
| CT Scanner                           | Replace                                                                                                               | TBD       | TBD       |     | On Hold     | High   |  | Bernadette Enderez  | Lab/Radiology Director                 | Both CT's that we have need repairs. Pending architectural proposal                                           |
| Northside Flooring                   | Replace kitchen flooring at the Northside SNF                                                                         | 1/1/2026  | TBD       |     | In Progress | High   |  | Jaylee Davison      | Interim Director of Nursing – (SNF)    | Application submitted to the county > HCAI/CDPH approval to follow this approval. Internal logistics planning |

Project Dashboard - July 2026 Board

|                            |                                                                          |           |                 |  |             |        |  |                 |                                 |                                                                                         |
|----------------------------|--------------------------------------------------------------------------|-----------|-----------------|--|-------------|--------|--|-----------------|---------------------------------|-----------------------------------------------------------------------------------------|
| 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 phase in progress. Once validation signed-off will move to production phase. |
| Totals                     |                                                                          |           |                 |  |             |        |  |                 |                                 |                                                                                         |
| TASK STATUS %              |                                                                          |           |                 |  |             |        |  |                 |                                 |                                                                                         |
| STATUS                     | COUNT                                                                    | %         |                 |  |             |        |  |                 |                                 |                                                                                         |
| Not Started                | 0                                                                        | 0%        |                 |  |             |        |  |                 |                                 |                                                                                         |
| In Progress                | 9                                                                        | 47%       |                 |  |             |        |  |                 |                                 |                                                                                         |
| Overdue                    | 0                                                                        | 0%        |                 |  |             |        |  |                 |                                 |                                                                                         |
| On Hold                    | 4                                                                        | 21%       |                 |  |             |        |  |                 |                                 |                                                                                         |
| Ongoing                    | 4                                                                        | 21%       |                 |  |             |        |  |                 |                                 |                                                                                         |
| Completed                  | 2                                                                        | 11%       |                 |  |             |        |  |                 |                                 |                                                                                         |
| TOTAL                      | 19                                                                       | 100%      |                 |  |             |        |  |                 |                                 |                                                                                         |
| PROJECT PRIORITY %         |                                                                          |           |                 |  |             |        |  |                 |                                 |                                                                                         |
| PRIORITY                   | COUNT                                                                    | %         |                 |  |             |        |  |                 |                                 |                                                                                         |
| High                       | 15                                                                       | 79%       |                 |  |             |        |  |                 |                                 |                                                                                         |
| Medium                     | 3                                                                        | 16%       |                 |  |             |        |  |                 |                                 |                                                                                         |
| Low                        | 1                                                                        | 5%        |                 |  |             |        |  |                 |                                 |                                                                                         |
| TOTAL                      | 19                                                                       | 100%      |                 |  |             |        |  |                 |                                 |                                                                                         |
|                            |                                                                          |           | PENDING ITEMS   |  |             |        |  |                 |                                 |                                                                                         |
|                            |                                                                          |           | Decisions       |  |             |        |  |                 |                                 |                                                                                         |
|                            |                                                                          |           | Actions         |  |             |        |  |                 |                                 |                                                                                         |
|                            |                                                                          |           | Change Requests |  | 2           |        |  |                 |                                 |                                                                                         |
|                            |                                                                          |           |                 |  |             |        |  |                 |                                 |                                                                                         |

estimated go-live planned go live

possible new/not started

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

## MEMORANDUM

To: Board of Directors

From: Suzie Mays  
Vice President, Information & Strategic Services

Date: July 9, 2026

Re: Policies for Approval

Please find below policies for Board of Director approval.

|                                                           |                                                                             |
|-----------------------------------------------------------|-----------------------------------------------------------------------------|
| Telemetry Monitoring                                      | Revised to add Hicuity workflow; policy will now apply to ICU and Med Surg. |
| Artificial Intelligence (AI) and Ambient Listening Policy | Minor revisions.                                                            |
| Policy Management and Employee Acknowledgement            | New policy.                                                                 |



## Telemetry Monitoring

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### Disclaimer

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### Approvals

- Committee Approval: Editing Purposes Only approved on 7/7/2026
  - Committee Approval: Policy Committee approved on 7/2/2026
- 

### Revision Insight

|                         |                           |
|-------------------------|---------------------------|
| Document ID:            | 11143                     |
| Revision Number:        | 4                         |
| Owner:                  | Jacqueline Fernandez,     |
| Revision Official Date: | No revision official date |

#### Revision Note:

this document needs Hicuity workflow to be added and the policy will now be for ICU and Med surg.  
Submitted by J. Fernandez, interim CNO.

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## Policy : Telemetry Monitoring

### PURPOSE

To implement continuous best practice standards of ECG monitoring of life-threatening cardiac rhythm changes and to facilitate early therapeutic interventions. This policy also outlines the nursing and Hicuity responsibilities for patients undergoing telemetry monitoring on the Medical/Surgical and the Intensive Care Unit (ICU) floor via a centralized monitoring station in Intensive Care.

### POLICY

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

### DEFINITIONS

1. **Cardiac Telemetry** defined as a monitoring system attached to the patient which uses a wireless network to transmit ECG data continuous to a centralized monitor location. Patients on Med Surg unit wearing telemetry unit are monitored in Intensive Care by remote central station which occurs off Medical surgical unit. This continuous cardiac monitoring is conducted by registered nursing staff in the Intensive Care.
2. **Hicuity** defined as a remote telemetry service in a critical component of care for at cardiac risk patients, providing rapid response to cardiac degradation. The service offers 24/7 continuous cardiac monitoring by certified technicians stationed in technology-enabled monitoring centers. The service allows hospitals, their patients, and clinical staff to benefit from constant surveillance of at-risk patients while the bedside care team can focus on patients care.

### DESIGNEE

- Intensive Care Nursing Staff
- MS Nursing Staff

- Hicuity remote telemetry tech

## EQUIPMENT

- Patient identifying label and Telemetry order for cardiac monitoring
- Telemetry Unit and two AA batteries
- Intensive Care Telemetry Log Book
- Census report communication tool for Hicuity

## PROCEDURE

- The Medical/Surgical and Intensive Care staff will notify Hicuity upon receiving a physician order for telemetry monitoring. The primary nurse or charge nurse will verify the telemetry order, including confirmation of appropriate high and low alarm parameters as specified by the provider. For patients in the Intensive Care Unit, the hardwire bedside monitor will serve as the primary source of ECG monitoring; however, a telemetry unit may be used as a supplemental monitoring method when clinically appropriate.
- When the patient is located on Medical Surgical floor the staff member will take the patient's identification stickers to Intensive Care and sign OUT/IN telemetry unit in the Telemetry Log Book using the following procedure:
  - One Intensive Care nurse and one Med Surg staff member shall sign out telemetry unit.
  - One Intensive Care nurse and one Med Surg staff member shall sign in telemetry unit when returned to Intensive Care.
  - Telemetry unit shall not be taken off a patient and placed on another patient without returning telemetry monitor to Intensive Care and signing in and out of Intensive Care log book for current patient placement.
- The Medical Surgical nurse will apply the telemetry unit. The Intensive Care nurse will enter the patient's information including room number, Tele unit number, Code Status and admitting Diagnosis into the central station computer.
- On admission and at the beginning of each shift, the Intensive Care nurse will concur with the printout that Hicuity tech scans over, the ICU nurse will interpret and analyze the cardiac rhythm monitor strip. This includes both ICU patient and Medical Surgical patients that are located on the Medical Surgical Floor. This will be entered into the patient's chart under EKG intervention each shift and with any change of condition.
- The Medical Surgical nurse will call the Intensive Care to verify each Telemetry Unit placement. This information will be documented in the nurses charting example: "Verified tele #4 on this patient. Verified by Jan Doe, RN, Intensive Care".
- Should significant rhythm change occur, the Intensive Care nurse will obtain an analyzed strip and document in patient's chart. If the Hicuity tech and or the Intensive Care Nurse first notices the rhythm, they will immediately notify the Medical Surgical nurse and assist him/her as needed. The Medical Surgical nurse will then notify the physician of the patient's rhythm change. The Medical Surgical nurse will then notify the physician of the patient's rhythm change.
- Obtain a physician's order to remove the telemetry monitoring unit for bathing, showering and/or off unit for Diagnostic Imaging.
  - Med surg Nurse and ICU nurse to notify Hicuity when the monitor is removed for bath/shower/procedure and placed back on.
  - Intensive Care Nurse places monitor in "Standby" mode while off monitor
  - The Med Surg nurse will call the Intensive Care Nurse to verify that Tele Unit is off Standby. This information will be documented in the nurses record example: "Verified tele #4 on this patient. Verified by Jan Doe, RN, Intensive Care".
- Each nursing unit will include the monitoring information in their shift report.
- When telemetry is discontinued, remove unit disinfect and clean monitor prior to returning to Intensive Care.

- Med/Surg staff is responsible for returning telemetry monitor back to Intensive Care.

## PATIENT EDUCATION

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

## DOCUMENTATION

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

1. American Association of Critical-Care Nurses. (2018). AACN practice alert: Managing alarms in acute care across the life span: Electrocardiography and pulse oximetry. Retrieved January 21, 2026 from [www.aacn.org/clinical-resources/practice-alerts/managing-alarms-in-acute-care-across-the-life-span](http://www.aacn.org/clinical-resources/practice-alerts/managing-alarms-in-acute-care-across-the-life-span)
2. Hicuity Health: Hicuity Remote Telemetry. Retrieved January 21, 2026 from <https://hicuityhealth.com/telemetry/>
3. California Board of Registered Nursing. (2026). Nursing Practice. Retrieved January 21, 2026 from [www.rn.ca.gov/practice/index.shtml](http://www.rn.ca.gov/practice/index.shtml)

## ATTACHMENTS

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

Process for Daily Management of Telemetry

|                                                         |                                                                                                                                                                                                                                                                             |                            |                            |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Document ID</b>                                      | 11143                                                                                                                                                                                                                                                                       | <b>Document Status</b>     | Pending Committee Approval |
| <b>Department</b>                                       | Administration - Multidisciplinary                                                                                                                                                                                                                                          | <b>Department Director</b> | Fernandez, Jacqueline      |
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|                                                         | Full Text                                                                                                                                                                                                                                                                   |                            |                            |
|                                                         | <a href="http://edutracker.com/trktrnr/presentation/jh_newcastle_pa/n9ecgmonitor.pdf">http://edutracker.com/trktrnr/presentation/jh_newcastle_pa/n9ecgmonitor.pdf</a>                                                                                                       |                            |                            |
|                                                         | <a href="https://www.theonlinelearningcenter.com/Assets/PMDCBT/PIIC_Fundamentals_1.0/shell/viewer/swfs/assets/downloads/easi.pdf">https://www.theonlinelearningcenter.com/Assets/PMDCBT/PIIC_Fundamentals_1.0/shell/viewer/swfs/assets/downloads/easi.pdf</a>               |                            |                            |
|                                                         | <a href="https://www.aacn.org/clinical-resources/practice-alerts/dysrhythmia-monitoring">https://www.aacn.org/clinical-resources/practice-alerts/dysrhythmia-monitoring</a>                                                                                                 |                            |                            |
|                                                         | <a href="https://meridian.allenpress.com/bit/article/46/6/470/142543/Electrocardiogram-Interference-A-Thing-of-the-Past">https://meridian.allenpress.com/bit/article/46/6/470/142543/Electrocardiogram-Interference-A-Thing-of-the-Past</a>                                 |                            |                            |
|                                                         | <a href="https://doi.org/10.4037/ajcc2010651">https://doi.org/10.4037/ajcc2010651</a>                                                                                                                                                                                       |                            |                            |
|                                                         | <a href="https://apps.who.int/iris/bitstream/handle/10665/44102/9789241597906_eng.pdf?sequence=1">https://apps.who.int/iris/bitstream/handle/10665/44102/9789241597906_eng.pdf?sequence=1</a>                                                                               |                            |                            |
|                                                         | <a href="https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_id=10051&amp;p_table=STANDARDS">https://www.osha.gov/pls/oshaweb/owadisp.show_document?p_id=10051&amp;p_table=STANDARDS</a>                                                                               |                            |                            |
| <b>Attachments:</b>                                     | <a href="https://www.cdc.gov/mmwr/pdf/rr/rr5116.pdf">https://www.cdc.gov/mmwr/pdf/rr/rr5116.pdf</a>                                                                                                                                                                         |                            |                            |
| <b>(REFERENCED BY THIS DOCUMENT)</b>                    | <a href="https://www.ahajournals.org/doi/pdf/10.1161/CIR.0000000000000527">https://www.ahajournals.org/doi/pdf/10.1161/CIR.0000000000000527</a>                                                                                                                             |                            |                            |
|                                                         | <a href="https://www.cdc.gov/infectioncontrol/pdf/guidelines/isolation-guidelines-H.pdf">https://www.cdc.gov/infectioncontrol/pdf/guidelines/isolation-guidelines-H.pdf</a>                                                                                                 |                            |                            |
|                                                         | <a href="https://www.cdc.gov/niosh/docs/2009-127/pdfs/2009-127.pdf">https://www.cdc.gov/niosh/docs/2009-127/pdfs/2009-127.pdf</a>                                                                                                                                           |                            |                            |
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|                                                         | <a href="https://doi.org/10.1542/peds.2014-1162">https://doi.org/10.1542/peds.2014-1162</a>                                                                                                                                                                                 |                            |                            |
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|                                                         | <a href="https://doi.org/10.1097/NCQ.0b013e31827993bc">https://doi.org/10.1097/NCQ.0b013e31827993bc</a>                                                                                                                                                                     |                            |                            |
|                                                         | Lippencott Procedure for Cardiac Monitoring                                                                                                                                                                                                                                 |                            |                            |
|                                                         | Process for Daily Management of Telemetry                                                                                                                                                                                                                                   |                            |                            |
| <b>Other Documents: (WHICH REFERENCE THIS DOCUMENT)</b> |                                                                                                                                                                                                                                                                             |                            |                            |

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## Artificial Intelligence (AI) and Ambient Listening Policy

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### Approvals

- Committee Approval: Policy Committee approved on 7/2/2026
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### Revision Insight

|                         |                              |
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## 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 Hazel Hawkins Memorial Hospital's (HHMH) 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.

## GOVERNANCE 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, role based 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 is strictly prohibited.
- 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, enterprise managed 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; role based 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 LIFE CYCLE 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.), CMIA, 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 (two party 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 (vendor-specific)
- Lucidoc
    - Information Technology Acceptable Use Policy (DocID 12319)

|                         |                                          |                     |                            |
|-------------------------|------------------------------------------|---------------------|----------------------------|
| Document ID             | 12576                                    | Document Status     | Pending Committee Approval |
| Department              | Information Technology                   | Department Director | Mercado, Salomon           |
| Document Owner          | Salomon Mercado                          | Next Review Date    |                            |
| Original Effective Date | 03/17/2026                               |                     |                            |
| Revised                 | [03/17/2026 Rev. 0], [03/27/2026 Rev. 1] |                     |                            |

Attachments:  
 (REFERENCED BY THIS DOCUMENT) [Information Technology Acceptable Use Policy](#)

Other Documents:  
 (WHICH REFERENCE THIS DOCUMENT)

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## Policy Management and Employee Acknowledgement Policy

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### Approvals

- Committee Approval: Policy Committee approved on 7/2/2026
- 

### Revision Insight

|                         |                                                              |
|-------------------------|--------------------------------------------------------------|
| Document ID:            | 12606                                                        |
| Revision Number:        | 0                                                            |
| Owner:                  | Suzie Mays, Vice President, Information & Strategic Services |
| Revision Official Date: | No revision official date                                    |

Revision Note:  
New Policy

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## Policy : Policy Management and Employee Acknowledgement Policy

### PURPOSE

To ensure that all employees are informed of organizational policy updates, revisions, and newly approved policies in a timely and consistent manner. This policy establishes the process for quarterly distribution of policy changes and employee acknowledgment through HealthStream.

### POLICY

San Benito Health Care District (SBHCD) is committed to maintaining current policies and procedures that support patient safety, regulatory compliance, operational effectiveness, and employee accountability. All employees are responsible for reviewing and acknowledging applicable policy updates assigned through HealthStream.

Policy changes, revisions, and newly approved policies will be distributed on a quarterly basis through HealthStream. Completion of the assigned acknowledgment is mandatory for all employees.

### PROCEDURE

A description of the process for carrying out tasks related to the policy implementation. This section should indicate how the requirements of the policy would be carried out.

#### 1. Quarterly Policy Distribution

- A. The Policy Committee will review and approve policy changes throughout the year.
- B. Approved policy revisions and newly adopted policies will be compiled and distributed quarterly through HealthStream.
- C. Employees will receive notification when policy acknowledgments have been assigned.
- D. The District reserves the right to distribute and require acknowledgment of urgent policy updates outside of the quarterly distribution cycle when necessary to address regulatory, accreditation, patient safety, operational, or legal requirements.

#### 2. Employee Acknowledgment Requirements

- A. Employees must review the assigned policy updates and complete the required acknowledgment within thirty (30) calendar days of assignment.

- B. Completion of the acknowledgment confirms receipt and review of the policy. Acknowledgment does not necessarily indicate agreement with the policy but signifies that the employee understands their responsibility to comply with applicable policy requirements.
- C. Managers and department leaders are responsible for monitoring completion rates and ensuring their staff complete assigned acknowledgments within the required time frame.
- D. Managers are responsible for providing employees a reasonable opportunity to review and complete assigned acknowledgments during their regularly scheduled work hours.
- E. Employees who are on an approved leave of absence during the acknowledgment period will be required to complete assigned acknowledgments within thirty (30) calendar days of returning to active work status, unless otherwise directed.

### 3. Compensation and Time Requirements

- A. Completion of policy acknowledgments is considered a mandatory job responsibility and must be completed during the employee's regularly scheduled work hours whenever possible.
- B. Employees are expected to coordinate with their supervisor to complete acknowledgments during their normal work schedule.
- C. Any time spent completing required policy acknowledgments shall be recorded and compensated in accordance with applicable federal and state wage and hour laws, District policies, and applicable collective bargaining agreements.
- D. Completion of policy acknowledgments alone does not create an entitlement to overtime, callback pay, call time pay, premium pay, double time, or other additional compensation beyond that required by law or an applicable collective bargaining agreement.
- E. Employees who fail to complete assigned acknowledgments within the required time frame, after receiving appropriate notice and a reasonable opportunity to do so, may be subject to corrective action in accordance with District policies, procedures, and any applicable collective bargaining agreement.

#### A. Compliance Monitoring

- A. HealthStream completion reports will be monitored by department leadership, Human Resources, and designated administrators.
- B. Reminder notifications may be issued throughout the acknowledgment period.
- C. Departments with outstanding acknowledgments may be required to provide action plans to ensure compliance.

## REFERENCES

1. [Hospital Policy Management Program](#)
2. HealthStream Learning Management System
3. Human Resources Corrective Action Policy
4. Applicable Federal and State Regulatory Requirements

**AFFECTED DEPARTMENTS**

All Departments.

|                |                 |                     |                            |
|----------------|-----------------|---------------------|----------------------------|
| Document ID    | 12606           | Document Status     | Pending Committee Approval |
| Department     | Human Resources | Department Director | Tartala, Drew              |
| Document Owner | Suzie Mays      | Next Review Date    |                            |

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%3Dhbmh%3A12606%240>.

## CNO Dashboard June 2026

| Description            | June 2026 Actual | June 2026 Budget | YTD Total Actual | YTD Total Budget |
|------------------------|------------------|------------------|------------------|------------------|
| ED Visits              | 2,164            | 2,370            | 28,035           | 28,692           |
| ED Admission %         | 5.20%            | 10%>             | 4.60%            | 10%>             |
| LWBS %                 | 0.5%             | <2.0%            | 0.95%            | <2.0%            |
| Door to Provider       | 7 min            | <10 min          | 7 min%           | <10 min          |
| MS admissions          | 86               | 134              | 1087             | 1,329            |
| ICU admissions         | 29               | 24               | 263              | 214              |
| Deliveries             | 20               | 40               | 348              | 386              |
| OR Inpatient           | 31               | 61               | 397              | 499              |
| ASC/OP Cases           | 85               | 62               | 915              | 640              |
| GI                     | 100              | 91               | 1017             | 1087             |
| Met or Exceeded Target |                  |                  |                  |                  |
| Within 10% of Target   |                  |                  |                  |                  |
| Not Within 10%         |                  |                  |                  |                  |

| <b>OR Cases By Service Line</b>                                |              |            |             |
|----------------------------------------------------------------|--------------|------------|-------------|
| <b>2026</b>                                                    | <b>APRIL</b> | <b>MAY</b> | <b>JUNE</b> |
| <b>TOTAL SURGERIES</b><br>**                                   | 199          | 188        | 216         |
| <b>GENERAL SURGERY</b>                                         | 43           | 22         | 44          |
| <b>ORTHOPEDIC TOTAL</b>                                        | 39           | 32         | 40          |
| <i>PODIATRY</i>                                                | 0            | 1          | 0           |
| <i>TOTAL JOINTS</i>                                            | 4            | 5          | 5           |
| <b>UROLOGY</b>                                                 | 4            | 4          | 9           |
| <b>OB/GYN TOTAL</b>                                            | 33           | 23         | 17          |
| <i>C/SECTIONS</i>                                              | 11           | 8          | 3           |
| <b>ENT TOTAL</b>                                               | 0            | 1          | 0           |
| <b>GI TOTAL</b>                                                | 80           | 105        | 106         |
| <b>GI ASC</b>                                                  | 71           | 100        | 100         |
| <b>GI INO</b>                                                  | 6            | 2          | 0           |
| <b>GI INPT</b>                                                 | 3            | 3          | 6           |
| <b>GI CANCELS*</b>                                             | 2            | 0          | 2           |
| *Cancels not included in GI Total<br>**These totals include GI |              |            |             |

| <b>OR Cases By Service Line</b>                                |              |            |             |
|----------------------------------------------------------------|--------------|------------|-------------|
| <b>2025</b>                                                    | <b>APRIL</b> | <b>MAY</b> | <b>JUNE</b> |
| <b>TOTAL SURGERIES</b><br>**                                   | 197          | 157        | 185         |
| <b>GENERAL SURGERY</b>                                         | 29           | 26         | 23          |
| <b>ORTHOPEDIC TOTAL</b>                                        | 32           | 44         | 39          |
| <i>PODIATRY</i>                                                | 0            | 0          | 0           |
| <i>TOTAL JOINTS</i>                                            | 1            | 2          | 0           |
| <b>UROLOGY</b>                                                 | 2            | 2          | 5           |
| <b>OB/GYN TOTAL</b>                                            | 40           | 24         | 25          |
| <i>C/SECTIONS</i>                                              | 13           | 7          | 10          |
| <b>ENT TOTAL</b>                                               | 2            | 1          | 2           |
| <b>GI TOTAL</b>                                                | 92           | 60         | 91          |
| <b>GI ASC</b>                                                  | 89           | 56         | 83          |
| <b>GI INO</b>                                                  | 2            | 2          | 2           |
| <b>GI INPT</b>                                                 | 1            | 2          | 6           |
| <b>GI CANCELS*</b>                                             | 0            | 0          | 1           |
| *Cancels not included in GI Total<br>**These totals include GI |              |            |             |



**REGULAR MEETING OF THE FACILITIES AND FINANCE COMMITTEE  
SAN BENITO HEALTH CARE DISTRICT  
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA  
MONDAY, JULY 20, 2026 - 4:30 P.M.  
SUPPORT SERVICES BUILDING, 2<sup>ND</sup> 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 – June 2026
3. Review Financial Updates
  - Financial Statements – June 2026
  - Finance Dashboard – June 2026
  - Supplemental Payments – June 2026
  - Cashflow Statement YTD June 2026
4. Consider Recommendation for Board Approval of FYE 06/30/27 Operating and Capital Budgets.
  - Report
  - Committee Questions
  - Motion/Second
5. Consider Recommendation for Board Approval of Proposal with RDL Construction, Inc. for MTCAP in the amount of \$164,436.00.
  - Report
  - Committee Questions
  - Motion/Second
6. Public Comment

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

## 7. Adjournment

The next Facilities and Finance Committee meeting is scheduled for **Monday, August 24, 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.

## JULY 2026 Project Dashboard - Facilities

| Project Name                          | Purpose                                                                         | Start Date | Go Live   | Duration | Status      | Priority | Key Stakeholder     | Role                             | Update                                                                                                              |
|---------------------------------------|---------------------------------------------------------------------------------|------------|-----------|----------|-------------|----------|---------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------------|
| *Lab Phase 2                          | Analyzer Replacement                                                            | 6/1/2024   | 8/1/2026  | 791      | In Progress | High     | Bernadette Enderez  | Lab/Radiology Director           | ABBOT equipment installed, pending final HCAI/OSHPD sign off. Validation ongoing, units will go live when approved. |
| *Lab Remodel                          | Lab Phase 3/4: Remodel                                                          | 3/1/2026   | TBD       |          | Ongoing     |          | Bernadette Enderez  | Lab/Radiology Director           | Upcoming Milestones:<br>06/19/2026 Cost estimate<br>07/07/2026 100% DDs<br>09/04/2026 100% SDs                      |
| *OR Rebuild                           | Updating OR per OSHPD Requirements                                              | 11/20/2024 | 1/29/2027 | 800      | In Progress | High     | Mendi Suber-Ventura | Director of Surgical Services    | CDPH waiver has been extended until JAN 2027. Pending feasibility results from critical infrastructure study.       |
| *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    | Bid awarded, scheduling started with architect and general contractor. Estimated start in Aug                       |
| *Seismic                              | Upgrade to Meet HCAI Seismic Compliance & Safety Standards                      | 11/1/2025  | 1/1/2033  |          | Ongoing     | High     | Jorge Ramirez       | Senior Support Services Director | Geotech work results pending. MT/CAP job walk scheduled 6/22.                                                       |
| Seismic (MTCAP for Original Hospital) | Upgrade to Meet HCAI Seismic Compliance & Safety Standards                      | 3/25/2026  | Fall '26  |          | In Progress | High     | Jorge Ramirez       | Senior Director Support Services | Mandatory job walk completed, pending bids from contractors.                                                        |
| *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 approval and contractor pricing                                |

## JULY 2026 Project Dashboard - Facilities

|                                 |                                                                                                                        |           |          |     |  |             |        |                |                                     |                                                                                                               |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------|----------|-----|--|-------------|--------|----------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------|
| *Verkada                        | Security / SSO + Door Access                                                                                           | 3/11/2025 | TBD      |     |  | In Progress | High   | Jorge Ramirez  | Senior Support Services Director    | Internal database build and scheduling for final card reader installation                                     |
| *ED Helipad                     | System is an AFFF system and no longer allowed in C.A. Is required to be phased out due to being a hazardous chemical. | 5/27/2025 | 8/1/2026 | 431 |  | In Progress | High   | Jorge Ramirez  | Senior Support Services Director    | HCAI building permit issued. Contractors mobilizing.                                                          |
| *Northside SNF Kitchen Flooring | Replace kitchen and storage flooring at the Northside SNF                                                              | 1/1/2026  | TBD      |     |  | In Progress | High   | Jaylee Davison | Interim Director of Nursing – (SNF) | Application submitted to the county > HCAI/CDPH approval to follow this approval. Internal logistics planning |
| Physical Therapy Clinic Remodel | Expanding current location to help with ongoing demand                                                                 | 6/1/2025  | TBD      |     |  | On Hold     | Medium | Jun Estrada    | Director of Physical Therapy        | Contract signed for feasibility study                                                                         |
| Focus Sports Therapy            | Renovate and expand Focus sports therapy clinic                                                                        | 7/1/2025  | TBD      |     |  | On Hold     | Medium | Jorge Ramirez  | Senior Support Services Director    | Working with architects on schematic design.                                                                  |
| <b>Totals</b>                   |                                                                                                                        |           |          |     |  |             |        |                |                                     |                                                                                                               |

estimated go-live  
planned go live

| TASK STATUS %      |           |             |  |  |
|--------------------|-----------|-------------|--|--|
| STATUS             | COUNT     | %           |  |  |
| Not Started        | 0         | 0%          |  |  |
| In Progress        | 8         | 67%         |  |  |
| Overdue            | 0         | 0%          |  |  |
| On Hold            | 2         | 17%         |  |  |
| Ongoing            | 2         | 17%         |  |  |
| Completed          | 0         | 0%          |  |  |
| <b>TOTAL</b>       | <b>12</b> | <b>100%</b> |  |  |
| PROJECT PRIORITY % |           |             |  |  |
| PRIORITY           | COUNT     | %           |  |  |
| High               | 8         | 73%         |  |  |
| Medium             | 3         | 27%         |  |  |
| Low                | 0         | 0%          |  |  |
| <b>TOTAL</b>       | <b>11</b> | <b>100%</b> |  |  |



## San Benito Health Care District

A Public Agency

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

July 20, 2026

### CFO Financial Summary for the District Board: Unaudited

For the month ending June 30, 2026, the District's Net Surplus **(Loss)** is \$849,298 compared to a budgeted Surplus **(Loss)** of \$728,434. The District exceeded the budget for the month by \$120,864.

YTD as of June 30, 2026, the District's Net Surplus **(Loss)** is \$13,286,444 compared to a budgeted Surplus **(Loss)** of \$11,175,735. The District is exceeding its budget YTD by \$2,110,709.

Acute discharges were 135 for the month, less than the budget by 67 discharges, 33%. The ADC was 11.87 compared to a budget of 18.88. The ALOS was 2.64. The acute I/P gross revenue was under budget by **\$3 million or 32%** while O/P services gross revenue exceeded the budget by **\$3.36 million or 12%**. ER I/P visits were 113 and ER O/P visits were under budget by 183 visits or 8%. The RHCs & Specialty Clinics treated 3,436 (includes 550 visits at the Diabetes Clinic) and 1,082 visits respectively.

**Other Operating** revenue exceeded budget by **\$270,988** due mainly to:

- 1) **\$547,886** in additional QIP funds for PY 7, CY 2024.
- 2) The HQAF direct grant for **\$350,000** was budgeted, but not received.

**Operating Expenses** exceeded budget by **\$108,166** due mainly to: overages in Employee Benefits of \$552,085, Registry of \$165,886, and Professional Fees of \$107,727 being offset by savings in S & W of \$475,503 and Supplies of \$221,931.

**Non-operating Revenue** exceeded the budget by **\$268,525** due to the actual property tax revenue exceeding the budget by \$147,787. In addition, donations were \$125,570 greater than budgeted.

The SNFs ADC was **92.10** for the month. The Net Surplus **(Loss)** is **(\$133,288)** compared to a budget of \$67,729. YTD, the Net Surplus **(Loss)** is **\$2,884,411** exceeding the budget by \$1,778,708.

YEAR-TO-DATE

YEAR-TO-DATE

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED  
HOLLISTER, CA 95023  
FOR PERIOD 06/30/26

|                                       | CURRENT MONTH      |                    |                     |                     | YEAR-TO-DATE         |                    |                    |                     |                     |                      |
|---------------------------------------|--------------------|--------------------|---------------------|---------------------|----------------------|--------------------|--------------------|---------------------|---------------------|----------------------|
|                                       | ACTUAL<br>06/30/26 | BUDGET<br>06/30/26 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>06/30/25 | ACTUAL<br>06/30/26 | BUDGET<br>06/30/26 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>06/30/25 |
| NON-OPERATING REVENUE\EXPENSE:        |                    |                    |                     |                     |                      |                    |                    |                     |                     |                      |
| DONATIONS                             |                    |                    |                     |                     |                      |                    |                    |                     |                     |                      |
| PROPERTY TAX REVENUE                  | 145,570            | 20,000             | 125,570             | 628                 | 128,328              | 646,056            | 240,000            | 406,056             | 169                 | 354,923              |
| GO BOND PROP TAXES                    | 396,221            | 248,434            | 147,787             | 60                  | 335,260              | 3,128,995          | 2,981,208          | 147,787             | 5                   | 2,987,602            |
| GO BOND INT REVENUE\EXPENSE           | 181,114            | 181,114            | 0                   | 0                   | 258,160              | 2,173,363          | 2,173,368          | (5)                 | 0                   | 2,193,222            |
| OTHER NON-OPER REVENUE                | 12,459             | 16,399             | (3,941)             | (24)                | 13,889               | 178,511            | 196,788            | (18,277)            | (9)                 | 186,808              |
| OTHER NON-OPER EXPENSE                | (17,317)           | (17,407)           | 90                  | (1)                 | (14,157)             | (218,701)          | (251,564)          | 32,863              | (13)                | (313,811)            |
| INVESTMENT INCOME                     | 643                | 1,625              | (982)               | (60)                | 2,202                | 13,318             | 19,500             | (6,182)             | (32)                | 16,899               |
| COLLABORATION CONTRIBUTIONS           | 0                  | 0                  | 0                   | 0                   | 0                    | 0                  | 0                  | 0                   | 0                   | 0                    |
| TOTAL NON-OPERATING REVENUE/(EXPENSE) |                    |                    |                     |                     |                      |                    |                    |                     |                     |                      |
|                                       | 557,576            | 389,051            | 268,525             | 69                  | 658,601              | 5,188,178          | 4,625,932          | 562,246             | 12                  | 4,644,666            |
| NET SURPLUS (LOSS)                    |                    |                    |                     |                     |                      |                    |                    |                     |                     |                      |
|                                       | 849,298            | 728,434            | 120,864             | 17                  | (4,492,656)          | 13,286,444         | 11,175,735         | 2,110,709           | 19                  | 25,753,153           |
| EBIDA                                 |                    |                    |                     |                     |                      |                    |                    |                     |                     |                      |
|                                       | \$ 1,099,969       | \$ 941,043         | \$ 158,926          | 16.88%              | \$ (4,350,444)       | \$ 16,200,378      | \$ 13,769,729      | \$ 2,430,649        | 17.65%              | \$ 28,462,819        |
| EBIDA MARGIN                          |                    |                    |                     |                     |                      |                    |                    |                     |                     |                      |
|                                       | 7.55%              | 6.69%              | 0.86%               | 12.91%              | (38.67)%             | 9.16%              | 7.98%              | 1.19%               | 14.87%              | 15.83%               |
| OPERATING MARGIN                      |                    |                    |                     |                     |                      |                    |                    |                     |                     |                      |
|                                       | 1.32%              | 2.41%              | (1.10)%             | (45.42)%            | (45.79)%             | 4.58%              | 3.79%              | 0.79%               | 20.72%              | 11.74%               |
| NET SURPLUS (LOSS) MARGIN             |                    |                    |                     |                     |                      |                    |                    |                     |                     |                      |
|                                       | 5.83%              | 5.17%              | 0.65%               | 12.63%              | (39.94)%             | 7.51%              | 6.47%              | 1.04%               | 16.07%              | 14.32%               |

HAZEL HANKINS MEMORIAL HOSPITAL - ACUTE FACILITY  
HOLLISTER, CA 95023  
FOR PERIOD 06/30/26

|                                     | CURRENT MONTH      |                    |                     | PERCENT<br>VARIANCE | PRIOR YR<br>06/30/25 | YEAR-TO-DATE       |                    |                     |                     |                      |
|-------------------------------------|--------------------|--------------------|---------------------|---------------------|----------------------|--------------------|--------------------|---------------------|---------------------|----------------------|
|                                     | ACTUAL<br>06/30/26 | BUDGET<br>06/30/26 | POS/NEG<br>VARIANCE |                     |                      | ACTUAL<br>06/30/26 | BUDGET<br>06/30/26 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>06/30/25 |
| GROSS PATIENT REVENUE:              |                    |                    |                     |                     |                      |                    |                    |                     |                     |                      |
| ROUTINE REVENUE                     | 2,926,662          | 4,536,891          | (1,610,229)         | (36)                | 3,455,298            | 39,965,597         | 42,275,549         | (2,309,952)         | (6)                 | 40,564,284           |
| ANCILLARY INPATIENT REVENUE         | 3,382,808          | 4,927,895          | (1,545,087)         | (31)                | 3,272,674            | 40,297,272         | 47,763,536         | (7,466,264)         | (16)                | 45,890,931           |
| HOSPITALIST I/P REVENUE             | 135,592            | 0                  | 135,592             |                     | 180,758              | 1,869,183          | 0                  | 1,869,183           |                     | 180,758              |
| TOTAL GROSS INPATIENT REVENUE       | 6,445,061          | 9,464,786          | (3,019,725)         | (32)                | 6,908,731            | 82,132,052         | 90,039,085         | (7,907,033)         | (9)                 | 86,635,973           |
| ANCILLARY OUTPATIENT REVENUE        | 30,765,216         | 27,486,670         | 3,278,546           | 12                  | 29,460,285           | 377,901,210        | 367,687,588        | 10,213,622          | 3                   | 352,343,133          |
| HOSPITALIST O/P REVENUE             | 82,772             | 0                  | 82,772              |                     | 113,964              | 1,229,148          | 0                  | 1,229,148           |                     | 113,964              |
| TOTAL GROSS OUTPATIENT REVENUE      | 30,847,988         | 27,486,670         | 3,361,318           | 12                  | 29,574,249           | 379,130,358        | 367,687,588        | 11,442,770          | 3                   | 352,457,097          |
| TOTAL GROSS ACUTE PATIENT REVENUE   | 37,293,049         | 36,951,456         | 341,593             | 1                   | 36,482,980           | 461,262,409        | 457,726,673        | 3,535,736           | 1                   | 439,093,070          |
| DEDUCTIONS FROM REVENUE ACUTE:      |                    |                    |                     |                     |                      |                    |                    |                     |                     |                      |
| MEDICARE CONTRACTUAL ALLOWANCES     | 10,496,876         | 10,538,030         | (41,154)            | 0                   | 11,508,390           | 133,279,258        | 129,012,608        | 4,266,650           | 3                   | 133,985,205          |
| MEDI-CAL CONTRACTUAL ALLOWANCES     | 10,479,647         | 10,153,902         | 325,745             | 3                   | 11,749,809           | 132,790,888        | 124,309,817        | 8,481,071           | 7                   | 120,126,593          |
| BAD DEBT EXPENSE                    | 1,319,255          | 1,004,413          | 314,842             | 31                  | 1,054,150            | 9,027,286          | 12,435,994         | (3,408,708)         | (26)                | 8,523,982            |
| CHARITY CARE                        | 5,940              | 31,026             | (25,087)            | (81)                | 25,024               | 701,085            | 379,873            | 321,212             | 85                  | 356,209              |
| OTHER CONTRACTUALS AND ADJUSTMENTS  | 4,535,961          | 4,761,175          | (225,214)           | (5)                 | 4,849,055            | 57,963,531         | 58,289,039         | (325,508)           | (1)                 | 55,667,074           |
| HOSPITALIST\PEDS CONTRACTUAL ALLOW  | (26,629)           | 0                  | (26,629)            |                     | 103,901              | 108,821            | 0                  | 108,821             |                     | 103,901              |
| TOTAL ACUTE DEDUCTIONS FROM REVENUE | 26,811,050         | 26,488,546         | 322,504             | 1                   | 29,290,329           | 333,870,869        | 324,227,331        | 9,643,538           | 3                   | 308,762,964          |
| NET ACUTE PATIENT REVENUE           | 10,482,000         | 10,462,910         | 19,090              | 0                   | 7,192,650            | 127,391,541        | 133,499,342        | (6,107,802)         | (5)                 | 130,330,107          |
| OTHER OPERATING REVENUE             | 1,788,058          | 1,623,458          | 164,600             | 10                  | 2,134,138            | 22,344,199         | 14,912,390         | 7,431,809           | 50                  | 25,602,437           |
| NET ACUTE OPERATING REVENUE         | 12,270,057         | 12,086,368         | 183,689             | 2                   | 9,326,788            | 149,735,739        | 148,411,732        | 1,324,007           | 1                   | 155,932,544          |
| OPERATING EXPENSES:                 |                    |                    |                     |                     |                      |                    |                    |                     |                     |                      |
| SALARIES & WAGES                    | 3,930,479          | 4,405,982          | (475,503)           | (11)                | 3,976,813            | 51,028,747         | 53,162,874         | (2,134,127)         | (4)                 | 48,277,984           |
| REGISTRY                            | 642,046            | 476,160            | 165,886             | 35                  | 506,782              | 7,644,228          | 5,713,920          | 1,930,308           | 34                  | 5,845,481            |
| EMPLOYEE BENEFITS                   | 2,499,391          | 1,947,306          | 552,085             | 28                  | 5,586,417            | 23,170,952         | 23,322,669         | (151,717)           | (1)                 | 24,263,902           |
| PROFESSIONAL FEES                   | 1,752,885          | 1,645,158          | 107,727             | 7                   | 1,653,814            | 21,747,166         | 19,718,333         | 2,028,833           | 10                  | 20,271,853           |
| SUPPLIES                            | 980,485            | 1,202,416          | (221,931)           | (19)                | 612,553              | 14,155,796         | 14,286,552         | (130,756)           | (1)                 | 11,888,425           |
| PURCHASED SERVICES                  | 1,189,726          | 1,282,215          | (92,489)            | (6)                 | 1,236,666            | 14,997,080         | 15,156,437         | (159,357)           | (1)                 | 14,925,478           |
| RENTAL                              | 197,841            | 162,046            | 35,795              | 22                  | 109,538              | 1,971,561          | 1,940,676          | 30,885              | 2                   | 1,768,160            |
| DEPRECIATION & AMORT                | 312,549            | 276,161            | 36,388              | 13                  | 281,617              | 3,649,912          | 3,313,938          | 335,974             | 10                  | 3,338,177            |
| INTEREST                            | 3,459              | 19,243             | (15,784)            | (82)                | 4,879                | 312,318            | 234,701            | 77,617              | 33                  | 544,144              |
| OTHER                               | 380,638            | 384,646            | (4,008)             | (1)                 | 404,164              | 5,430,836          | 5,726,472          | (295,636)           | (5)                 | 4,904,506            |
| TOTAL EXPENSES                      | 11,889,499         | 11,781,333         | 108,166             | 1                   | 14,373,243           | 144,108,595        | 142,576,572        | 1,532,023           | 1                   | 136,028,109          |
| NET OPERATING INCOME (LOSS)         |                    |                    |                     |                     |                      |                    |                    |                     |                     |                      |
|                                     | 380,558            | 305,035            | 75,523              | 25                  | (5,046,454)          | 5,627,144          | 5,835,160          | (208,016)           | (4)                 | 19,904,435           |

HASEL HANKINS MEMORIAL HOSPITAL - ACUTE FACILITY  
HOLLISTER, CA 95023  
FOR PERIOD 06/30/26

| CURRENT MONTH                         |          |          |          | PRIOR YR    |            |            |          | YEAR-TO-DATE |            |          |          |
|---------------------------------------|----------|----------|----------|-------------|------------|------------|----------|--------------|------------|----------|----------|
| ACTUAL                                | BUDGET   | POS/NEG  | PERCENT  | ACTUAL      | BUDGET     | POS/NEG    | PERCENT  | ACTUAL       | BUDGET     | POS/NEG  | PERCENT  |
| 06/30/26                              | 06/30/26 | VARIANCE | VARIANCE | 06/30/25    | 06/30/26   | VARIANCE   | VARIANCE | 06/30/26     | 06/30/26   | VARIANCE | 06/30/25 |
| NON-OPERATING REVENUE\EXPENSE:        |          |          |          |             |            |            |          |              |            |          |          |
| DONATIONS                             |          |          |          |             |            |            |          |              |            |          |          |
| 145,570                               | 20,000   | 125,570  | 628      | 128,328     | 646,056    | 240,000    | 406,056  | 169          | 354,923    |          |          |
| 336,813                               | 211,194  | 125,619  | 60       | 285,006     | 2,659,947  | 2,534,328  | 125,619  | 5            | 2,539,500  |          |          |
| 181,114                               | 181,114  | 0        | 0        | 258,160     | 2,173,363  | 2,173,368  | (5)      | 0            | 2,193,222  |          |          |
| (61,114)                              | (61,114) | 0        | 0        | (65,081)    | (733,363)  | (733,368)  | 5        | 0            | (780,977)  |          |          |
| 12,459                                | 16,399   | (3,941)  | (24)     | 13,889      | 178,511    | 196,788    | (18,277) | (9)          | 186,808    |          |          |
| (13,457)                              | (13,548) | 91       | (1)      | (9,109)     | (162,881)  | (195,744)  | 32,863   | (17)         | (244,113)  |          |          |
| 643                                   | 1,625    | (982)    | (60)     | 2,202       | 13,318     | 19,500     | (6,182)  | (32)         | 16,899     |          |          |
| 0                                     | 0        | 0        | 0        | 0           | 0          | 0          | 0        | 0            | 0          |          |          |
| 602,027                               | 355,670  | 246,357  | 59       | 613,394     | 4,774,951  | 4,234,872  | 540,079  | 13           | 4,266,263  |          |          |
| 982,585                               | 660,705  | 321,880  | 49       | (4,433,060) | 10,402,095 | 10,070,032 | 332,063  | 3            | 24,170,696 |          |          |
| TOTAL NON-OPERATING REVENUE/(EXPENSE) |          |          |          |             |            |            |          |              |            |          |          |
| NET SURPLUS (LOSS)                    |          |          |          |             |            |            |          |              |            |          |          |

HAZEL HAWKINS SKILLED NURSING FACILITIES  
HOLLISTER, CA  
FOR PERIOD 06/30/26

|                                       | CURRENT MONTH      |                    |                     |                     | YEAR-TO-DATE         |                    |                    |                     |
|---------------------------------------|--------------------|--------------------|---------------------|---------------------|----------------------|--------------------|--------------------|---------------------|
|                                       | ACTUAL<br>06/30/26 | BUDGET<br>06/30/26 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>06/30/25 | ACTUAL<br>06/30/26 | BUDGET<br>06/30/26 | POS/NEG<br>VARIANCE |
| GROSS SNF PATIENT REVENUE:            |                    |                    |                     |                     |                      |                    |                    |                     |
| ROUTINE SNF REVENUE                   | 2,144,570          | 2,025,000          | 119,570             | 6                   | 2,088,060            | 24,639,626         | 24,637,500         | 2,126               |
| ANCILLARY SNF REVENUE                 | 390,741            | 380,634            | 10,107              | 3                   | 459,586              | 5,506,646          | 4,558,652          | 947,994             |
| TOTAL GROSS SNF PATIENT REVENUE       | 2,535,311          | 2,405,634          | 129,677             | 5                   | 2,547,646            | 30,146,272         | 29,196,152         | 950,120             |
| DEDUCTIONS FROM REVENUE SNF:          |                    |                    |                     |                     |                      |                    |                    |                     |
| MEDICARE CONTRACTUAL ALLOWANCES       | 436,651            | 278,455            | 158,196             | 57                  | 358,976              | 4,240,740          | 3,304,838          | 935,902             |
| MEDI-CAL CONTRACTUAL ALLOWANCES       | 28,620             | 97,502             | (68,882)            | (71)                | 120,627              | (237,280)          | 1,186,274          | (1,423,554)         |
| BAD DEBT EXPENSE                      | (121,591)          | 5,000              | (126,591)           | (2,532)             | (10,365)             | (8,454)            | 60,000             | (68,454)            |
| CHARITY CARE                          | 0                  | 0                  | 0                   | 0                   | 0                    | 7,697              | 0                  | 7,697               |
| OTHER CONTRACTUALS AND ADJUSTMENTS    | (3,651)            | 34,099             | (37,750)            | (111)               | 156,402              | 334,091            | 413,850            | (79,759)            |
| TOTAL SNF DEDUCTIONS FROM REVENUE     | 340,029            | 415,056            | (75,027)            | (18)                | 625,640              | 4,336,793          | 4,964,962          | (628,169)           |
| NET SNF PATIENT REVENUE               | 2,195,282          | 1,990,578          | 204,704             | 10                  | 1,922,006            | 25,809,479         | 24,231,190         | 1,578,289           |
| OTHER OPERATING REVENUE               | 106,388            | 0                  | 106,388             | 0                   | 0                    | 1,276,645          | 0                  | 1,276,645           |
| NET SNF OPERATING REVENUE             | 2,301,670          | 1,990,578          | 311,092             | 16                  | 1,922,006            | 27,086,124         | 24,231,190         | 2,854,934           |
| OPERATING EXPENSES:                   |                    |                    |                     |                     |                      |                    |                    |                     |
| SALARIES & WAGES                      | 1,241,746          | 1,091,081          | 150,665             | 14                  | 1,043,160            | 12,897,710         | 13,143,618         | (245,908)           |
| REGISTRY                              | 82,216             | 49,225             | 32,991              | 67                  | 81,389               | 845,519            | 590,693            | 254,826             |
| EMPLOYEE BENEFITS                     | 711,422            | 498,794            | 212,628             | 43                  | 559,392              | 6,556,072          | 6,030,404          | 525,668             |
| PROFESSIONAL FEES                     | 0                  | 2,500              | (2,500)             | (100)               | 2,210                | 24,310             | 30,000             | (5,690)             |
| SUPPLIES                              | 89,912             | 95,703             | (5,791)             | (6)                 | 97,409               | 1,343,168          | 1,163,323          | 179,845             |
| PURCHASED SERVICES                    | 128,778            | 100,712            | 28,066              | 28                  | 133,587              | 1,411,218          | 1,227,196          | 184,022             |
| RENTAL                                | 6,704              | 7,916              | (1,212)             | (15)                | 27,724               | 192,991            | 97,212             | 95,779              |
| DEPRECIATION                          | 40,806             | 39,041             | 1,765               | 5                   | 39,517               | 485,321            | 468,492            | 16,829              |
| INTEREST                              | 0                  | 0                  | 0                   | 0                   | 0                    | 0                  | 0                  | 0                   |
| OTHER                                 | 188,922            | 71,258             | 117,664             | 165                 | 42,421               | 858,630            | 765,609            | 93,021              |
| TOTAL EXPENSES                        | 2,490,506          | 1,956,230          | 534,276             | 27                  | 2,026,808            | 24,614,940         | 23,516,547         | 1,098,393           |
| NET OPERATING INCOME (LOSS)           | (188,836)          | 34,348             | (223,184)           | (650)               | (104,802)            | 2,471,184          | 714,643            | 1,756,541           |
| NON-OPERATING REVENUE (EXPENSE):      |                    |                    |                     |                     |                      |                    |                    |                     |
| DONATIONS                             | 0                  | 0                  | 0                   | 0                   | 0                    | 0                  | 0                  | 0                   |
| PROPERTY TAX REVENUE                  | 59,408             | 37,240             | 22,168              | 60                  | 50,255               | 469,048            | 446,880            | 22,168              |
| OTHER NON-OPER EXPENSE                | (3,859)            | (3,859)            | 0                   | 0                   | (5,048)              | (55,821)           | (55,820)           | (1)                 |
| TOTAL NON-OPERATING REVENUE/(EXPENSE) | 55,549             | 33,381             | 22,168              | 66                  | 45,207               | 413,227            | 391,060            | 22,167              |
| NET SURPLUS (LOSS)                    | (133,288)          | 67,729             | (201,017)           | (297)               | (59,596)             | 2,884,411          | 1,105,703          | 1,778,708           |

HAZEL HAWKINS MEMORIAL HOSPITAL  
HOLLISTER, CA  
For the month ended 06/30/26

|                                      | CURR MONTH<br>06/30/26 | PRIOR MONTH<br>05/31/26 | POS/NEG<br>VARIANCE | PERCENTAGE<br>VARIANCE | PRIOR YR<br>06/30/25 |
|--------------------------------------|------------------------|-------------------------|---------------------|------------------------|----------------------|
| CURRENT ASSETS                       |                        |                         |                     |                        |                      |
| CASH & CASH EQUIVALENT               | 43,064,101             | 45,484,882              | (2,420,781)         | (5)                    | 46,670,217           |
| PATIENT ACCOUNTS RECEIVABLE          | 68,361,181             | 71,626,073              | (3,264,892)         | (5)                    | 66,556,290           |
| BAD DEBT ALLOWANCE                   | (6,683,787)            | (6,781,721)             | 97,934              | (1)                    | (7,062,672)          |
| CONTRACTUAL RESERVES                 | (40,385,339)           | (43,053,617)            | 2,668,278           | (6)                    | (40,404,377)         |
| OTHER RECEIVABLES                    | 7,256,531              | 4,639,097               | 2,617,434           | 56                     | 4,952,401            |
| INVENTORIES                          | 5,092,665              | 5,051,411               | 41,254              | 1                      | 4,981,471            |
| PREPAID EXPENSES                     | 2,100,267              | 2,232,380               | (132,114)           | (6)                    | 2,599,584            |
| DUE TO\FROM THIRD PARTIES            | (211,928)              | (198,400)               | (13,528)            | 7                      | (181,860)            |
| TOTAL CURRENT ASSETS                 | 78,593,689             | 79,000,104              | (406,415)           | (1)                    | 78,111,054           |
| ASSETS WHOSE USE IS LIMITED          |                        |                         |                     |                        |                      |
| BOARD DESIGNATED FUNDS               | 5,010,020              | 7,975,799               | (2,965,778)         | (37)                   | 5,666,884            |
| TOTAL LIMITED USE ASSETS             | 5,010,020              | 7,975,799               | (2,965,778)         | (37)                   | 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                            | 49,166,108             | 48,847,502              | 318,606             | 1                      | 46,216,122           |
| CONSTRUCTION IN PROGRESS             | 13,233,772             | 10,527,549              | 2,706,224           | 26                     | 4,324,809            |
| GROSS PROPERTY, PLANT, AND EQUIPMENT | 165,894,518            | 162,869,688             | 3,024,830           | 2                      | 154,009,779          |
| ACCUMULATED DEPRECIATION             | (102,707,318)          | (102,339,052)           | (368,266)           | 0                      | (98,393,920)         |
| NET PROPERTY, PLANT, AND EQUIPMENT   | 63,187,200             | 60,530,636              | 2,656,564           | 4                      | 55,615,859           |
| OTHER ASSETS                         |                        |                         |                     |                        |                      |
| UNAMORTIZED LOAN COSTS               | 258,315                | 264,057                 | (5,742)             | (2)                    | 327,215              |
| PENSION DEFERRED OUTFLOWS NET        | 5,277,892              | 5,277,892               | 0                   | 0                      | 5,277,892            |
| TOTAL OTHER ASSETS                   | 5,536,207              | 5,541,949               | (5,742)             | 0                      | 5,605,107            |
| TOTAL UNRESTRICTED ASSETS            | 152,327,116            | 153,048,488             | (721,372)           | (1)                    | 144,998,904          |
| RESTRICTED ASSETS                    | 129,432                | 129,381                 | 51                  | 0                      | 127,208              |
| TOTAL ASSETS                         | 152,456,549            | 153,177,869             | (721,320)           | (1)                    | 145,126,112          |

HAZEL HAWKINS MEMORIAL HOSPITAL  
HOLLISTER, CA  
For the month ended 06/30/26

|                                   | CURR MONTH<br>06/30/26 | PRIOR MONTH<br>05/31/26 | POS/NEG<br>VARIANCE | PERCENTAGE<br>VARIANCE | PRIOR YR<br>06/30/25 |
|-----------------------------------|------------------------|-------------------------|---------------------|------------------------|----------------------|
| CURRENT LIABILITIES               |                        |                         |                     |                        |                      |
| ACCOUNTS PAYABLE                  | 5,951,249              | 7,224,918               | 1,273,669           | (18)                   | 6,221,841            |
| ACCRUED PAYROLL                   | 3,779,439              | 4,130,260               | 350,822             | (9)                    | 3,467,229            |
| ACCRUED PAYROLL TAXES             | 285,454                | 249,473                 | (35,981)            | 14                     | 257,552              |
| ACCRUED BENEFITS                  | 4,471,049              | 4,381,111               | (89,938)            | 2                      | 5,074,320            |
| OTHER ACCRUED EXPENSES            | 73,601                 | 66,356                  | (7,246)             | 11                     | 80,907               |
| PATIENT REFUNDS PAYABLE           | 1,310                  | 1,310                   | 0                   | 0                      | 1,310                |
| DUE TO\FROM THIRD PARTIES         | 5,819,287              | 3,905,287               | (1,914,000)         | 49                     | 5,056,186            |
| OTHER CURRENT LIABILITIES         | 762,693                | 1,030,472               | 267,779             | (26)                   | 777,080              |
| TOTAL CURRENT LIABILITIES         | 21,144,082             | 20,989,187              | (154,895)           | 1                      | 20,936,425           |
|                                   | =====                  | =====                   | =====               | =====                  | =====                |
| LONG-TERM DEBT                    |                        |                         |                     |                        |                      |
| LEASES PAYABLE                    | 4,465,512              | 4,522,556               | 57,044              | (1)                    | 4,799,273            |
| BONDS PAYABLE                     | 25,152,640             | 26,621,160              | 1,468,520           | (6)                    | 28,534,881           |
| TOTAL LONG TERM DEBT              | 29,618,152             | 31,143,717              | 1,525,564           | (5)                    | 33,334,154           |
|                                   | =====                  | =====                   | =====               | =====                  | =====                |
| OTHER LONG-TERM LIABILITIES       |                        |                         |                     |                        |                      |
| DEFERRED REVENUE                  | 0                      | 0                       | 0                   | 0                      | 0                    |
| LONG-TERM PENSION LIABILITY       | 23,488,121             | 23,688,121              | 200,000             | (1)                    | 25,888,121           |
| TOTAL OTHER LONG-TERM LIABILITIES | 23,488,121             | 23,688,121              | 200,000             | (1)                    | 25,888,121           |
|                                   | =====                  | =====                   | =====               | =====                  | =====                |
| TOTAL LIABILITIES                 | 74,250,355             | 75,821,024              | 1,570,669           | (2)                    | 80,158,700           |
| NET ASSETS:                       |                        |                         |                     |                        |                      |
| UNRESTRICTED FUND BALANCE         | 64,915,019             | 64,915,019              | 0                   | 0                      | 64,817,839           |
| RESTRICTED FUND BALANCE           | 101,911                | 101,860                 | (51)                | 0                      | 149,573              |
| NET REVENUE/(EXPENSES)            | 13,189,264             | 12,339,966              | (849,298)           | 7                      | 0                    |
| TOTAL NET ASSETS                  | 78,206,193             | 77,356,844              | (849,349)           | 1                      | 64,967,412           |
|                                   | =====                  | =====                   | =====               | =====                  | =====                |
| TOTAL LIABILITIES AND NET ASSETS  | 152,456,549            | 153,177,869             | 721,320             | (1)                    | 145,126,112          |
|                                   | =====                  | =====                   | =====               | =====                  | =====                |

**Statement of Cash Flows**  
**Hazel Hawkins Memorial Hospital**  
**Hollister, CA**  
**Twelve months ending June 30, 2026**

|                                                                                   | CASH FLOW                  |                                   | COMMENTS                                                      |
|-----------------------------------------------------------------------------------|----------------------------|-----------------------------------|---------------------------------------------------------------|
|                                                                                   | Current Month<br>6/30/2026 | Current Year-To-Date<br>6/30/2026 |                                                               |
| CASH FLOWS FROM OPERATING ACTIVITIES:                                             |                            |                                   |                                                               |
| Net Income (Loss)                                                                 | \$849,298                  | \$13,286,444                      |                                                               |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities: |                            |                                   |                                                               |
| Depreciation                                                                      | 368,266                    | 4,313,397                         |                                                               |
| (Increase)/Decrease in Net Patient Accounts Receivable                            | 498,680                    | (2,202,814)                       |                                                               |
| (Increase)/Decrease in Other Receivables                                          | (2,617,434)                | (2,304,592)                       |                                                               |
| (Increase)/Decrease in Inventories                                                | (41,254)                   | (111,194)                         |                                                               |
| (Increase)/Decrease in Pre-Paid Expenses                                          | 132,114                    | 499,318                           |                                                               |
| (Increase)/Decrease in Due From Third Parties                                     | 13,528                     | 30,069                            |                                                               |
| Increase/(Decrease) in Accounts Payable                                           | (1,273,009)                | (270,131)                         |                                                               |
| Increase/(Decrease) in Notes and Loans Payable                                    | 0                          | 0                                 |                                                               |
| Increase/(Decrease) in Accrued Payroll and Benefits                               | (224,903)                  | (165,706)                         |                                                               |
| Increase/(Decrease) in Accrued Expenses                                           | 7,246                      | (7,304)                           |                                                               |
| Increase/(Decrease) in Patient Refunds Payable                                    | 0                          | 0                                 |                                                               |
| Increase/(Decrease) in Third Party Advances/Liabilities                           | 1,914,000                  | 763,099                           |                                                               |
| Increase/(Decrease) in Other Current Liabilities                                  | (267,779)                  | (111,840)                         |                                                               |
| Net Cash Provided by Operating Activities:                                        | (1,491,205)                | 432,302                           | Semi-Annual Int. - 2005 GO & 2021 Revenue Bonds               |
| CASH FLOWS FROM INVESTING ACTIVITIES:                                             |                            |                                   |                                                               |
| Purchase of Property, Plant and Equipment                                         | (3,024,830)                | (11,884,741)                      |                                                               |
| (Increase)/Decrease in Limited Use Cash and Investments                           | 0                          | 0                                 |                                                               |
| (Increase)/Decrease in Other Limited Use Assets                                   | 2,965,778                  | 658,862                           | Bond Principal & Int Payment - 2014 (2005) & 2021 Bonds       |
| (Increase)/Decrease in Other Assets                                               | 5,742                      | 68,904                            | Amortization                                                  |
| Net Cash Used by Investing Activities                                             | (53,310)                   | (11,158,975)                      |                                                               |
| CASH FLOWS FROM FINANCING ACTIVITIES:                                             |                            |                                   |                                                               |
| Increase/(Decrease) in Capital Lease Debt                                         | (57,044)                   | (333,761)                         |                                                               |
| Increase/(Decrease) in Bond Mortgage Debt                                         | (1,468,520)                | (3,382,240)                       |                                                               |
| Increase/(Decrease) in Other Long Term Liabilities                                | (200,000)                  | (2,400,000)                       | 2014 GO Principal & Refinancing of 2013 Bonds with 2021 Bonds |
| Net Cash Used for Financing Activities                                            | (1,725,564)                | (6,116,001)                       | Long Term Pension Liability                                   |
| (INCREASE)/DECREASE IN RESTRICTED ASSETS                                          | 0                          | (46,866)                          |                                                               |
| Net Increase/(Decrease) in Cash                                                   | (2,420,761)                | (3,606,116)                       |                                                               |
| Cash, Beginning of Period                                                         | 45,484,882                 | 48,670,217                        |                                                               |
| Cash, End of Period                                                               | \$43,064,101               | \$43,064,101                      | \$0                                                           |

|                                  |           |               |                       |
|----------------------------------|-----------|---------------|-----------------------|
| Cost per day to run the District | \$451,523 | \$49,241,349  | Budgeted Cash on Hand |
| Operational Days Cash on Hand    | 95.38     | (\$6,177,248) | Variance              |



San Benito Health Care District  
Hazel Hawkins Memorial Hospital  
JUNE 2026

| Description                             | MTD Budget | MTD Actual | YTD Actual  | YTD Budget  | FYE Budget  |
|-----------------------------------------|------------|------------|-------------|-------------|-------------|
| Average Daily Census - Acute            | 18.88      | 11.87      | 13.19       | 15.00       | 15.00       |
| Average Daily Census - SNF              | 89.98      | 92.10      | 89.20       | 90.00       | 90.00       |
| Acute Length of Stay                    | 2.80       | 2.64       | 2.79        | 2.80        | 2.80        |
| <u>ER Visits:</u>                       |            |            |             |             |             |
| Inpatient                               | 136        | 113        | 1,326       | 1,638       | 1,638       |
| Outpatient                              | 2,234      | 2,051      | 26,709      | 27,053      | 27,053      |
| Total                                   | 2,370      | 2,164      | 28,035      | 28,691      | 28,691      |
| Days in Accounts Receivable             | 50.0       | 51.5       | 51.5        | 50.0        | 50.0        |
| Productive Full-Time Equivalents        | 575.17     | 538.92     | 540.03      | 575.17      | 575.17      |
| Net Patient Revenue                     | 12,453,488 | 12,677,281 | 153,201,019 | 157,730,532 | 157,730,532 |
| Payment-to-Charge Ratio                 | 31.6%      | 31.8%      | 31.2%       | 32.4%       | 32.4%       |
| Medicare Traditional Payor Mix          | 27.88%     | 30.79%     | 30.61%      | 28.71%      | 28.71%      |
| Commercial Payor Mix                    | 24.18%     | 22.92%     | 22.57%      | 23.36%      | 23.36%      |
| Bad Debt % of Gross Revenue             | 2.50%      | 3.00%      | 1.84%       | 2.50%       | 2.50%       |
| EBIDA                                   | 941,043    | 1,099,969  | 16,200,378  | 13,769,729  | 13,769,729  |
| EBIDA %                                 | 6.69%      | 7.55%      | 9.16%       | 7.98%       | 7.98%       |
| Operating Margin                        | 2.41%      | 1.32%      | 4.58%       | 3.79%       | 3.79%       |
| Salaries, Wages, Registry & Benefits %: |            |            |             |             |             |
| by Net Operating Revenue                | 60.16%     | 62.50%     | 57.77%      | 59.06%      | 59.06%      |
| by Total Operating Expense              | 61.65%     | 63.33%     | 60.54%      | 61.39%      | 61.39%      |
| <u>Bond Covenants:</u>                  |            |            |             |             |             |
| Debt Service Ratio - 1.25               | 6.03       | 7.05       | 8.65        | 7.36        | 7.36        |
| Current Ratio - 1.50                    | 2.00       | 3.72       | 3.72        | 2.00        | 2.00        |
| Days Cash on hand - 30.00               | 110.06     | 95.38      | 95.38       | 110.06      | 110.06      |
| Met or Exceeded Target                  |            |            |             |             |             |
| Within 10% of Target                    |            |            |             |             |             |
| Not Within 10%                          |            |            |             |             |             |

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

|                                                                | Payor    | Actual<br>FY 2026 | Actual<br>FY 2025 | Notes:                                                                   |
|----------------------------------------------------------------|----------|-------------------|-------------------|--------------------------------------------------------------------------|
| <b>Intergovernmental Transfer Programs:</b>                    |          |                   |                   |                                                                          |
| - AB 113 Non-Designated Public Hospital (NDPH)                 |          |                   |                   |                                                                          |
| - SFY 2023/2024 Final Payment <b>SFY 2024/2025</b>             | DHCS     | 179,727           | 39,795            | Requires District to fund program and wait for matching return.          |
| - SFY 2024/2025 Interim <b>SFY 2025/2026</b>                   | DHCS     | 179,727           | 305,302           | IGT due April 2026. Rec'd payment June 30, 2026.                         |
| - SB 239 Hospital Quality Assurance Fund (HQAF) <b>CY 2025</b> | CCAH     | 1,925,623         | 2,407,056         | IGT due April 2026. Rec'd payment June 30, 2026.                         |
| - Rate Range Jan. 1, 2023 through Dec. 31, 2023                | Anthem   | -                 | 1,339,141         | Rec'd payment on April 28, 2026.                                         |
| - Rate Range Jan. 1, 2024 through Dec. 31, 2024                | CCAH     | 2,911,769         | -                 | Received in February 2025.                                               |
| - QIP PY 6 Settlement CY 2023                                  | DHCS     | -                 | 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            | CCAH     | 2,249,573         | -                 | Sent IGT of \$2,342,379 in March. Rec. in May.                           |
| - QIP PY 7 Settlement "Final" Payment for CY 2024              | CCAH     | 3,223,048         | -                 | Funded IGT on Aug. 22nd, \$900,434.15. Rec'd in Oct. 2025.               |
| - District Hospital Directed Payments (DHDP) CY 2024           | DHCS     | 643,091           | 710,853           | Rec'd payment on April 28, 2026.                                         |
| - QIP PY 5 Loan Repayment                                      | District | -                 | (3,090,086)       | Funded IGT on Aug. 22nd, \$379,041.08. Expect payment in Oct/Nov '25.    |
| IGT sub-total                                                  |          | 11,312,559        | 6,023,320         | Paid on December 9, 2024.                                                |
| <b>Non-Intergovernmental Transfer Programs:</b>                |          |                   |                   |                                                                          |
| - AB 915 SY 2024-25                                            | DHCS     | 309,289           | 1,802,585         | Direct Payments.                                                         |
| - SB 239 Hospital Quality Assurance Fund (HQAF)                | DHCS     | -                 | 1,069,577         | Received on March 5th & 12th, 2026. CA MMIS fiscal intermediary.         |
| - SB 239 Hospital Quality Assurance Fund (HQAF) VIII           | DHCS     | -                 | 1,081,621         | Rec. Sep. 4, 2024.                                                       |
| - SB 239 Hospital Quality Assurance Fund (HQAF) VIII           | DHCS     | -                 | 3,244,863         | Expected to Rec. 4th qtr payment by June 30, 2025.                       |
| - SB 239 Hospital Quality Assurance Fund (HQAF) IX             | DHCS     | 2,622,864         | -                 | Rec'd 1st, 2nd, & 3rd Qtr payments YTD.                                  |
| - Distinct Part, Nursing Facility (DP/NF)                      |          | -                 | -                 | Qtrly Pmts reduced by 45% and not expected this fiscal year.             |
| - Medi-Cal Disproportionate Share (DSH)                        | DHCS     | 1,505,100         | 1,260,151         | Based on actual cost difference.                                         |
| Non-IGT sub-total                                              |          | 4,437,253         | 8,458,797         | H.R. 1 reduction of 60% delayed until FY 2028.                           |
| <b>Program Grand Totals</b>                                    |          |                   |                   |                                                                          |
| Total Received                                                 |          | 15,749,812        | 14,482,117        |                                                                          |
| Total Pending                                                  |          | 13,126,948        | 17,572,203        |                                                                          |
| Total Paid                                                     |          | 2,622,864         | (3,090,086)       |                                                                          |
| Net Supplemental Payments                                      |          | 15,749,812        | 14,482,117        |                                                                          |

# San Benito Health Care District

## Actual/Budgeted Cash Flow

FYE June 30, 2026

| Description                              | FY 2026                |                          |                             |                           |                            |                            |                           |                            |                         |                         |                       |                        | Total          |
|------------------------------------------|------------------------|--------------------------|-----------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|-----------------------|------------------------|----------------|
|                                          | Actual<br>July<br>2025 | Actual<br>August<br>2025 | Actual<br>September<br>2025 | Actual<br>October<br>2025 | Actual<br>November<br>2025 | Actual<br>December<br>2025 | Actual<br>January<br>2026 | Actual<br>February<br>2026 | Actual<br>March<br>2026 | Actual<br>April<br>2026 | Actual<br>May<br>2026 | Actual<br>June<br>2026 |                |
| Recurring Revenue                        | \$ 13,221,775          | \$ 11,459,048            | \$ 12,240,725               | \$ 12,734,075             | \$ 10,984,359              | \$ 13,730,837              | \$ 12,942,428             | \$ 10,645,938              | \$ 12,865,065           | \$ 13,193,905           | \$ 11,608,269         | \$ 13,397,484          | \$ 149,043,908 |
| H.R. 1 Medicare & Medi-Cal Reductions    | -                      | -                        | -                           | -                         | -                          | -                          | -                         | -                          | -                       | -                       | -                     | -                      | -              |
| Net Supplemental & Other Oper. Revenue   | 371,981                | (981,061)                | 798,840                     | 3,192,705                 | (1,487,377)                | 1,546,950                  | 4,643,567                 | (2,905,751)                | 4,584,373               | 9,011,760               | 983,187               | 1,538,312              | 21,287,476     |
| Total Cash Receipts                      | 13,593,756             | 10,477,987               | 13,039,565                  | 15,926,780                | 9,516,982                  | 15,277,787                 | 17,586,995                | 7,740,187                  | 17,449,438              | 22,205,665              | 12,571,436            | 14,935,796             | 170,341,384    |
| Operating Cash Disbursements             | 13,352,042             | 14,367,411               | 12,982,486                  | 12,655,989                | 11,894,728                 | 12,863,713                 | 15,949,795                | 12,518,861                 | 12,352,519              | 13,430,933              | 14,476,584            | 13,931,087             | 160,685,948    |
| Defined Benefit Pension Funding          | -                      | -                        | -                           | -                         | -                          | 1,200,000                  | 200,000                   | 200,000                    | 200,000                 | 200,000                 | 200,000               | 200,000                | 2,400,000      |
| Operating Cash Flow                      | 241,714                | (3,889,424)              | 147,079                     | 3,270,811                 | (2,377,746)                | 1,214,074                  | 1,436,200                 | (4,978,474)                | 4,886,919               | 8,574,732               | (2,105,148)           | 804,699                | 7,255,436      |
| Other Non-Operating Revenue/Expenses:    | -                      | -                        | -                           | -                         | -                          | -                          | -                         | -                          | -                       | -                       | -                     | -                      | -              |
| Property Taxes - Revenue                 | -                      | -                        | -                           | -                         | -                          | 1,820,456                  | -                         | -                          | -                       | -                       | 1,308,539             | -                      | 3,128,995      |
| Capital Expenditures                     | (342,905)              | (306,082)                | (714,187)                   | (748,835)                 | (817,991)                  | (1,249,695)                | (763,336)                 | (597,332)                  | (829,715)               | (1,951,417)             | (538,434)             | (3,024,830)            | (11,884,741)   |
| 2021 Revenue Bonds Expense               | (155,983)              | (155,983)                | (155,983)                   | (155,983)                 | (155,983)                  | (155,983)                  | (155,983)                 | (155,983)                  | (155,983)               | (150,650)               | (150,650)             | (150,650)              | (1,855,800)    |
| Net Cash Flow                            | \$ (257,164)           | \$ (4,331,499)           | \$ (723,101)                | \$ 2,365,993              | \$ (3,351,720)             | \$ 1,028,881               | \$ 516,879                | \$ (5,731,789)             | \$ 3,911,221            | \$ 6,472,665            | \$ (1,485,683)        | \$ (2,370,781)         | \$ (3,356,110) |
| % of Revenue                             | -2%                    | -41%                     | -6%                         | 15%                       | -35%                       | 11%                        | 3%                        | -74%                       | 22%                     | 29%                     | -12%                  | -16%                   | -2%            |
| Beginning Cash Balance                   | \$ 46,870,211          | \$ 46,413,047            | \$ 42,081,547               | \$ 41,358,446             | \$ 43,724,439              | \$ 40,372,718              | \$ 42,001,600             | \$ 42,518,478              | \$ 36,736,689           | \$ 40,597,910           | \$ 47,020,575         | \$ 45,484,882          | \$ 46,870,211  |
| Net Cash Flow                            | (257,164)              | (4,331,499)              | (723,101)                   | 2,365,993                 | (3,351,720)                | 1,028,881                  | 516,879                   | (5,731,789)                | 3,911,221               | 6,472,665               | (1,485,683)           | (2,370,781)            | (3,356,110)    |
| DHLP Funding - Loan (Separate Acct.)     | -                      | -                        | -                           | -                         | -                          | -                          | -                         | -                          | -                       | -                       | -                     | -                      | -              |
| Usage of DHLP                            | -                      | -                        | -                           | -                         | -                          | -                          | -                         | -                          | -                       | -                       | -                     | -                      | -              |
| Less: Repayment (from Operational funds) | -                      | -                        | -                           | -                         | -                          | -                          | -                         | (50,000)                   | (50,000)                | (50,000)                | (50,000)              | (50,000)               | (250,000)      |
| Ending Cash Balance                      | \$ 46,413,047          | \$ 42,081,547            | \$ 41,358,446               | \$ 43,724,439             | \$ 40,372,718              | \$ 42,001,600              | \$ 42,518,478             | \$ 36,736,689              | \$ 40,597,910           | \$ 47,020,575           | \$ 45,484,882         | \$ 43,064,101          | \$ 43,064,101  |

FYE June 30, 2026 Budget

Variance

|            |            |            |            |            |            |            |             |             |            |            |             |             |
|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|------------|------------|-------------|-------------|
| 42,866,565 | 42,364,668 | 41,627,055 | 41,233,677 | 38,889,950 | 39,430,565 | 38,992,045 | 42,503,566  | 41,866,134  | 41,582,574 | 44,486,658 | 49,241,349  | 49,241,349  |
| 3,546,482  | (283,119)  | (268,609)  | 2,490,762  | 1,482,768  | 2,571,035  | 3,528,433  | (5,766,877) | (1,268,224) | 5,438,001  | 1,018,224  | (6,177,248) | (6,177,248) |

- A - The revenue we collect for providing patient services.  
 B - The Medicare sequestration increase and DSH reductions were not implemented. The Medi-Cal reductions were budgeted in Bad Debt Expense and a reduction to Supplemental payments.  
 C - Includes \$3,000,000 budgeted reductions for Supplemental payments.  
 D - Cash outflow related to operational expenses for the District.  
 E - Funding for the frozen defined benefit pension plan per the actuary's 10-year funding schedule.  
 F - Property taxes received from the County.  
 G - Capital expenditures for non-DHLP projects and equipment.  
 H - Cal-Mortgage revenue bonds. The Measure L 2005 G.O. bond payments are not included since the funding is a passthrough for the District.  
 I - Payments for the \$2.7 million drawn from the DHLP. The District will apply for the remaining \$7.3 million in funding when the bid for the final phase of the lab remodel is accepted.

**FYE June 30, 2027**

## **San Benito Health Care District Operational Budget**

### **Statistics:**

The acute facility's inpatient admissions and days were budgeted for an average daily census (ADC) of 15 patients for the FYE June 30, 2026. YTD as of April 30, 2026, the acute admissions were under budget by 160 from 1,600 to 1,440 admissions and patient days were under budget by 426 from 4,485 to 4,059 patient days. During this period, admissions for ICU increased by 20%, Med/Surg decreased 17% and OB decreased by 2.4%. OB deliveries decreased by 9, 2.9%. As of April 30, 2026, the acute facility YTD ADC is 13.35 compared to the budgeted YTD ADC of 14.75. This is a decrease of 10.5%.

The budgeted days are 944 in ICU, 3,650 in Med/Surg, 881 in OB resulting in an acute ADC for the year of 15.0. The budgeted days in each nursing department corresponds with the staffing ratio.

In aggregate, outpatient services are budgeted to increase by 2%. The outpatient services include clinic visits, outpatient surgeries/procedures, radiology exams and lab tests.

The Skilled Nursing Facilities are budgeted to have an average daily census of 92 which is an increase over the prior year budget of 90. YTD as of April 30, 2026, the combined ADC is 88.72. However, the monthly ADC has been over 91 for April and May of 2026.

### **Revenue:**

The budgeted acute gross revenue for FYE June 30, 2027 is increasing by the increase in inpatient and outpatient volumes. Patient charges for I/P and O/P services will not be increased during the fiscal year. The CFO and Director of Patient Accounting are working with the commercial plans to increase reimbursement without having to increase charges. In addition, they will work with consultants to review rebalancing the patient charges according to what is reasonable and customary in the market area.

As of April 30, 2026 for the acute facility, Medi-Cal and Medicare total approximately 78.2% of gross charges, 39.7% and 38.5% respectively. Commercial insurance comprises approximately 20.2% and self-pay 1.5%.

As of April 30, 2026 for the SNF facilities, Medi-Cal and Medicare total approximately 93.9% of gross charges, 62.5% and 31.4% respectively. Commercial insurance comprises approximately 5.1% and self-pay 1%.

The net revenue (payments) by the insurers are: 1) Medicare is reimbursed at a 101% of recognized cost before the 2% sequestration reduction is applied. An annual cost report is prepared and filed by a consultant on behalf of the District. The intermediary for CMS is Noridian which provides the interim rates for the fiscal year. 2) Medi-Cal is determined by the State government with no correlation to the charge for care. Since January 1, 2024, the Medi-Cal managed care plan is managed by the Central California Alliance for Health (CCAH). Supplemental programs such as AB113 Non-Designated Public Hospitals (NDPH), SB 239 Hospital Quality Assurance Fund (HQAF), AB 915 Outpatient Supplemental, Medi-Cal Disproportionate Share (DSH), Rate Range and District Hospital Direct Payment program are the main funding programs to make up for the underpayments made by the State and Managed Care plans. 3) The majority of commercial insurances reimburse the District based on their contracted rates with an annual allowance for price increases. 4) Approximately half of the commercial insurance business is from Anthem Blue Cross which reimburses the District for inpatient services with a per diem rate and outpatient services on a fee schedule.

Net Operating Revenue for the acute facility is budgeted to increase by 6% if it meets the budgeted inpatient and outpatient volume targets. The H.R.1 (OBBA) reductions were included in the net operating revenue calculation. The District will continue to monitor State and Federal agencies for any significant changes to reimbursement during the fiscal year. The net operating revenue for the Skilled Nursing Facilities is expected to slightly increase by 1.4% due to the \$1.3 million in other revenue for FY 2026 was a one-time payment from the State. The Medi-Cal per diem rate is budgeted to remain the same.

#### **Expenses:**

The District's Productive FTEs are budgeted to increase by 25.15 from the FYE June 30, 2026 budget of 575.17.

The increase in productive FTEs is due to:

- The security department is being tasked with monitoring metal detectors at three points of entry into the hospital. The entry points are the Emergency Department (ED), main hospital lobby and Women's Center lobby. The ED requires 24-hour staffing. It takes 4.2 FTEs to staff one 24-hour shift. The hospital is budgeted to add 8.6 FTES to cover the in-house security requirements.
- The Health Information Management (HIM) department is budgeted for 4.34 FTEs. The department was staffed under a purchase service agreement during the prior year budget.
- The Information Technology (IT) department is budgeting an additional 2 FTEs since the hospital changed its E.H.R. to MediTech EXPANSE effective July 1, 2026.

- The SNFs are budgeted to add 5 additional employees due to the budgeted increase in the ADC from 90 residents to 92.
- The Orthopedic, Multi-Specialty and RHCs are not increasing FTEs while budgeted for a 2% increase in patient visits.
- The nursing and other ancillary departments are budgeted according to their patient care ratios and volume.

**The increase in productive FTEs is in relation to the budgeted increase in patient volume and revenue. The District will only increase its FTEs if required to meet staffing needs.**

Annual average raises of **3.75%** are included in the budget.

Overall, the acute expenses are budgeted to increase by 6% and SNF expenses by 8%. The increases are mainly due to pay raises in salaries and wages and additional productive FTES being hired for the aforementioned departments. In addition, the 401(a) pension plan is included in the employee benefit expense for all employees.

Combined Net Operating Expenses are budgeted to increase by \$10.4 million, 6.2%.

**The District management will work to identify and implement cost savings strategies on an ongoing basis.**

#### **Outstanding Issues:**

- The State of CA budget includes transferring approximately 2 million undocumented Medi-Cal enrollees from managed care to fee for service effective January 1, 2027.
- The Federal Government budget year begins on October 1, 2026. Therefore, there could potentially be more reductions to Medi-Cal funding passed down to the states.
- The District is actively working toward qualifying for additional funding from the CalRHT Transformative Payments Program.
- The District will apply for the remaining \$7.3 million loan balance from the Distressed Hospital Loan Program (DHLP) of \$10 million administered by CHFFA. The District will submit the required paperwork to meet the loan criteria at the appropriate time.
- The District is currently in labor negotiations with the C.N.A. The other three bargaining units are operating under current MOUs.

**Conclusion:**

The District's budget assumes the low acute average daily census for FYE June 30, 2026 was an anomaly and will return to prior year levels. The SNFs should be able to meet its budgeted ADC of 92 for the new fiscal year. The District's Net Surplus (Loss) is budgeted to be **\$11.3** million compared to an estimated pre-audited net surplus of **\$11.2** million. The EBIDA target for the FY 2027 budget is **\$14.22** million (7.7%). The estimated FY 2026 pre-audit EBIDA is **\$14.05** million (8.1%). Due to the costly capital expenditure needs of the District, there is a budgeted net loss in cash flow of **\$5.2** million. The Days Cash on Hand would be **79.28** at year-end.

The District is budgeted to meet its Cal-Mortgage Bond requirements for the FYE June 30, 2027. The District should continue as a Critical Access Hospital in order to remain financially viable until an alternative strategy for growth can be implemented.

Hazel Hawkins Memorial Hospital  
Combined FY 2027  
Income Statement Trend

|                                        | FY2027<br>July    | FY2027<br>August  | FY2027<br>September | FY2027<br>October | FY2027<br>November | FY2027<br>December | FY2027<br>January | FY2027<br>February | FY2027<br>March   | FY2027<br>April   | FY2027<br>May     | FY2027<br>June    | Total              |
|----------------------------------------|-------------------|-------------------|---------------------|-------------------|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Acute Routine Revenue                  | 3,951,684         | 3,817,729         | 3,775,867           | 3,842,845         | 3,708,890          | 3,884,706          | 3,918,195         | 3,541,446          | 3,683,773         | 3,968,428         | 3,934,939         | 3,809,356         | 45,837,857         |
| SNF Routine Revenue                    | 2,210,301         | 2,210,301         | 2,139,000           | 2,210,300         | 2,139,000          | 2,210,300          | 2,210,300         | 1,996,400          | 2,210,300         | 2,139,999         | 2,210,300         | 2,138,999         | 26,024,500         |
| Ancillary Inpatient Revenue            | 4,383,416         | 4,251,074         | 4,194,255           | 4,275,888         | 4,128,084          | 4,317,244          | 4,341,869         | 3,923,836          | 4,110,250         | 4,375,915         | 4,357,921         | 4,218,882         | 50,878,634         |
| Hospitalists/Peds Inpatient Revenue    | 185,884           | 179,583           | 177,615             | 180,765           | 174,464            | 182,734            | 184,309           | 166,586            | 173,282           | 186,673           | 185,097           | 179,190           | 2,156,181          |
| <b>Total Gross Inpatient Revenue</b>   | <b>10,731,285</b> | <b>10,458,687</b> | <b>10,286,736</b>   | <b>10,509,799</b> | <b>10,150,437</b>  | <b>10,594,984</b>  | <b>10,654,673</b> | <b>9,628,268</b>   | <b>10,177,605</b> | <b>10,670,015</b> | <b>10,688,257</b> | <b>10,346,426</b> | <b>124,897,172</b> |
| Ancillary Outpatient Revenue           | 33,041,506        | 32,155,138        | 33,098,691          | 35,637,706        | 30,310,921         | 30,614,002         | 32,869,951        | 31,082,919         | 36,072,313        | 34,356,762        | 31,554,696        | 31,154,401        | 391,949,007        |
| Hospitalists/Peds Outpatient Revenue   | 108,155           | 105,254           | 108,342             | 116,653           | 99,218             | 100,209            | 107,594           | 101,744            | 118,076           | 112,461           | 103,288           | 101,979           | 1,282,970          |
| <b>Total Gross Outpatient Revenue</b>  | <b>33,149,661</b> | <b>32,260,392</b> | <b>33,207,033</b>   | <b>35,754,359</b> | <b>30,410,138</b>  | <b>30,714,211</b>  | <b>32,977,545</b> | <b>31,184,663</b>  | <b>36,190,389</b> | <b>34,469,223</b> | <b>31,657,984</b> | <b>31,256,380</b> | <b>393,231,977</b> |
| <b>Total Gross Patient Revenue</b>     | <b>43,880,945</b> | <b>42,719,079</b> | <b>43,493,770</b>   | <b>46,264,158</b> | <b>40,560,576</b>  | <b>41,309,195</b>  | <b>43,632,218</b> | <b>40,812,931</b>  | <b>46,367,994</b> | <b>45,139,238</b> | <b>42,346,241</b> | <b>41,602,806</b> | <b>518,129,149</b> |
| Medicare Contractual Allowances        | 12,105,578        | 11,622,860        | 12,159,555          | 12,888,044        | 10,969,593         | 11,119,121         | 11,936,774        | 11,473,819         | 13,120,207        | 12,683,215        | 11,418,657        | 11,370,473        | 142,867,892        |
| Medi-Cal Contractual Allowances        | 11,815,124        | 11,332,103        | 11,878,740          | 12,748,214        | 10,788,011         | 10,877,995         | 11,746,258        | 11,011,786         | 12,830,406        | 12,402,832        | 11,127,805        | 11,089,165        | 139,648,444        |
| Bad Debt Expense                       | 1,095,268         | 1,072,977         | 1,089,504           | 1,140,990         | 1,033,230          | 1,045,928          | 1,090,658         | 1,041,552          | 1,143,145         | 1,121,238         | 1,065,996         | 1,053,388         | 12,993,874         |
| Charity Care                           | 56,754            | 55,153            | 56,340              | 60,037            | 52,298             | 53,210             | 56,423            | 52,896             | 60,192            | 58,619            | 54,652            | 53,746            | 670,317            |
| Other Contractuals & Adjustments       | 5,265,633         | 5,118,183         | 5,226,279           | 5,568,080         | 4,854,033          | 4,939,258          | 5,235,142         | 4,906,624          | 5,582,335         | 5,436,192         | 5,072,003         | 4,987,374         | 62,191,136         |
| Hospitalist/Peds Contractual Allowance | 13,009            | 12,642            | 12,914              | 13,762            | 11,988             | 12,197             | 12,933            | 12,125             | 13,797            | 13,437            | 12,527            | 12,320            | 153,651            |
| <b>Total Deductions From Revenue</b>   | <b>30,351,366</b> | <b>29,213,918</b> | <b>30,423,332</b>   | <b>32,419,127</b> | <b>27,709,153</b>  | <b>28,047,709</b>  | <b>30,078,188</b> | <b>28,498,802</b>  | <b>32,750,082</b> | <b>31,715,533</b> | <b>28,751,640</b> | <b>28,566,466</b> | <b>358,525,313</b> |
| <b>Net Patient Revenue</b>             | <b>13,529,579</b> | <b>13,505,161</b> | <b>13,070,438</b>   | <b>13,845,031</b> | <b>12,851,423</b>  | <b>13,261,486</b>  | <b>13,554,030</b> | <b>12,314,129</b>  | <b>13,617,912</b> | <b>13,423,705</b> | <b>13,594,601</b> | <b>13,036,340</b> | <b>159,603,835</b> |
| Other Operating Revenue                | 1,983,114         | 1,970,430         | 2,148,649           | 1,970,430         | 1,980,999          | 2,152,469          | 1,983,114         | 1,964,085          | 2,125,054         | 1,968,315         | 1,983,114         | 2,123,694         | 24,353,468         |
| <b>Net Operating Revenue</b>           | <b>15,512,694</b> | <b>15,475,592</b> | <b>15,219,087</b>   | <b>15,815,461</b> | <b>14,832,422</b>  | <b>15,413,955</b>  | <b>15,537,144</b> | <b>14,278,214</b>  | <b>15,742,966</b> | <b>15,392,020</b> | <b>15,577,715</b> | <b>15,160,033</b> | <b>183,957,304</b> |
| Salaries                               | 5,942,772         | 5,982,885         | 5,780,895           | 5,992,281         | 5,789,966          | 6,004,666          | 6,070,162         | 5,446,637          | 6,075,145         | 5,870,536         | 6,080,973         | 5,888,468         | 70,925,385         |
| Salaries/Contract                      | 584,867           | 584,867           | 566,000             | 584,867           | 566,000            | 584,867            | 584,867           | 528,267            | 584,867           | 566,000           | 584,867           | 566,000           | 6,886,334          |
| Benefits                               | 2,699,417         | 2,697,999         | 2,595,461           | 2,547,854         | 2,582,342          | 2,582,342          | 2,736,485         | 2,470,602          | 2,737,598         | 2,649,704         | 2,736,450         | 2,649,794         | 31,767,020         |
| ProFees                                | 1,858,561         | 1,858,561         | 1,854,049           | 1,858,561         | 1,861,050          | 1,858,561          | 1,858,561         | 1,845,026          | 1,858,561         | 1,854,049         | 1,858,561         | 1,854,049         | 22,278,154         |
| Supplies                               | 1,342,586         | 1,375,395         | 1,383,139           | 1,420,109         | 1,275,197          | 1,449,955          | 1,423,055         | 1,282,798          | 1,374,549         | 1,373,463         | 1,405,128         | 1,341,999         | 16,447,363         |
| PurchSvcs                              | 1,440,435         | 1,440,435         | 1,402,993           | 1,440,435         | 1,402,993          | 1,440,435          | 1,325,232         | 1,212,905          | 1,325,232         | 1,287,790         | 1,325,232         | 1,287,790         | 16,331,905         |
| Rent/Lease                             | 193,567           | 193,567           | 190,922             | 193,567           | 190,922            | 193,567            | 193,567           | 185,631            | 193,567           | 190,922           | 193,567           | 190,922           | 2,304,287          |
| Depreciation                           | 357,979           | 357,979           | 357,979             | 357,979           | 357,979            | 357,979            | 357,979           | 357,979            | 357,979           | 357,979           | 357,979           | 357,979           | 4,295,747          |
| Interest                               | 28,016            | 27,957            | 27,898              | 27,840            | 27,780             | 27,721             | 27,661            | 27,602             | 27,541            | 27,481            | 27,421            | 27,360            | 332,278            |
| Other                                  | 673,264           | 613,884           | 625,201             | 682,557           | 465,861            | 569,666            | 609,402           | 564,209            | 620,539           | 550,311           | 563,040           | 567,272           | 7,105,205          |
| <b>Total Expenses</b>                  | <b>15,121,464</b> | <b>15,133,528</b> | <b>14,784,537</b>   | <b>15,221,510</b> | <b>14,485,601</b>  | <b>15,069,759</b>  | <b>15,186,971</b> | <b>13,921,654</b>  | <b>15,155,578</b> | <b>14,728,225</b> | <b>15,133,219</b> | <b>14,731,632</b> | <b>178,673,678</b> |
| <b>Net Operating Income (Loss)</b>     | <b>391,229</b>    | <b>342,063</b>    | <b>434,550</b>      | <b>593,951</b>    | <b>346,821</b>     | <b>344,196</b>     | <b>350,174</b>    | <b>356,560</b>     | <b>587,388</b>    | <b>663,795</b>    | <b>444,496</b>    | <b>428,401</b>    | <b>5,283,626</b>   |
| Non-operating Revenue/Expense          | 41,667            | 41,667            | 41,667              | 41,667            | 41,667             | 41,667             | 41,667            | 41,667             | 41,667            | 41,667            | 41,667            | 41,667            | 500,000            |
| Donations                              |                   |                   |                     |                   |                    |                    |                   |                    |                   |                   |                   |                   |                    |

Hazel Hawkins Memorial Hospital  
Combined FY 2027  
Income Statement Trend

|                                       | FY2027<br>July | FY2027<br>August | FY2027<br>September | FY2027<br>October | FY2027<br>November | FY2027<br>December | FY2027<br>January | FY2027<br>February | FY2027<br>March | FY2027<br>April | FY2027<br>May | FY2027<br>June | Total      |
|---------------------------------------|----------------|------------------|---------------------|-------------------|--------------------|--------------------|-------------------|--------------------|-----------------|-----------------|---------------|----------------|------------|
| Property Tax Revenue                  | 284,101        | 284,101          | 284,101             | 284,101           | 284,101            | 284,101            | 284,101           | 284,101            | 284,101         | 284,101         | 284,101       | 284,101        | 3,409,218  |
| Go Bond Prop Taxes                    | 180,948        | 180,948          | 180,948             | 180,948           | 180,948            | 180,948            | 180,948           | 180,948            | 180,948         | 180,948         | 180,948       | 180,948        | 2,171,380  |
| Go Bond Int Revenue\Expense           | (56,818)       | (56,818)         | (56,818)            | (56,818)          | (56,818)           | (56,818)           | (56,818)          | (56,818)           | (56,818)        | (56,818)        | (56,818)      | (56,818)       | (681,811)  |
| Other Non-Oper Revenue                | 15,786         | 15,786           | 15,786              | 15,786            | 15,786             | 15,786             | 15,786            | 15,786             | 15,786          | 15,786          | 15,786        | 15,786         | 189,429    |
| Other Non-Oper Expense                | (17,317)       | (17,317)         | (17,317)            | (17,317)          | (17,317)           | (17,317)           | (17,317)          | (17,317)           | (17,317)        | (17,317)        | (17,317)      | (17,317)       | (185,600)  |
| Investment Income                     | 51,500         | 51,500           | 51,500              | 51,500            | 51,500             | 51,500             | 51,500            | 51,500             | 51,500          | 51,500          | 51,500        | 51,500         | 618,000    |
| Total Non-Operating Revenue/(Expense) | 495,868        | 499,868          | 499,868             | 499,868           | 499,868            | 499,868            | 499,868           | 499,868            | 505,418         | 505,418         | 505,418       | 505,418        | 6,020,617  |
| Net Surplus (Loss)                    | 891,098        | 841,931          | 934,418             | 1,093,819         | 846,689            | 844,064            | 850,042           | 856,428            | 1,092,806       | 1,169,213       | 949,914       | 933,819        | 11,304,242 |

# Hazel Hawkins Memorial Hospital

Acute FY 2027

Income Statement Trend

|                                        | FY2027<br>July    | FY2027<br>August  | FY2027<br>September | FY2027<br>October | FY2027<br>November | FY2027<br>December | FY2027<br>January | FY2027<br>February | FY2027<br>March   | FY2027<br>April   | FY2027<br>May     | FY2027<br>June    | Total              |
|----------------------------------------|-------------------|-------------------|---------------------|-------------------|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Acute Routine Revenue                  | 3,951,684         | 3,817,729         | 3,775,867           | 3,842,845         | 3,708,890          | 3,884,706          | 3,918,195         | 3,541,446          | 3,683,773         | 3,968,428         | 3,934,939         | 3,809,356         | 45,837,857         |
| SNF Routine Revenue                    | 0                 | 0                 | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0                 | 0                 | 0                 | 0                 | 0                  |
| Ancillary Inpatient Revenue            | 3,904,080         | 3,771,738         | 3,730,382           | 3,796,553         | 3,664,211          | 3,837,909          | 3,870,995         | 3,498,783          | 3,639,397         | 3,920,623         | 3,887,537         | 3,763,466         | 45,285,675         |
| Hospitalists/Peds Inpatient Revenue    | 185,884           | 179,583           | 177,615             | 180,765           | 174,464            | 182,734            | 184,309           | 166,586            | 173,282           | 186,673           | 185,097           | 179,190           | 2,156,181          |
| <b>Total Gross Inpatient Revenue</b>   | <b>8,041,648</b>  | <b>7,769,051</b>  | <b>7,683,863</b>    | <b>7,820,163</b>  | <b>7,547,565</b>   | <b>7,905,349</b>   | <b>7,973,499</b>  | <b>7,206,815</b>   | <b>7,496,452</b>  | <b>8,075,724</b>  | <b>8,007,573</b>  | <b>7,752,012</b>  | <b>93,279,713</b>  |
| Ancillary Outpatient Revenue           | 33,041,506        | 32,155,138        | 33,098,691          | 35,637,706        | 30,310,921         | 30,614,002         | 32,869,951        | 31,082,919         | 36,072,313        | 34,356,762        | 31,554,696        | 31,154,401        | 391,949,007        |
| Hospitalists/Peds Outpatient Revenue   | 108,155           | 105,254           | 108,342             | 116,653           | 99,218             | 100,209            | 107,594           | 101,744            | 118,076           | 112,461           | 103,288           | 101,979           | 1,282,970          |
| <b>Total Gross Outpatient Revenue</b>  | <b>33,149,661</b> | <b>32,260,392</b> | <b>33,207,033</b>   | <b>35,754,359</b> | <b>30,410,138</b>  | <b>30,714,211</b>  | <b>32,977,545</b> | <b>31,184,663</b>  | <b>36,190,389</b> | <b>34,469,223</b> | <b>31,657,984</b> | <b>31,256,380</b> | <b>393,231,977</b> |
| <b>Total Gross Patient Revenue</b>     | <b>41,191,308</b> | <b>40,029,443</b> | <b>40,890,896</b>   | <b>43,574,522</b> | <b>37,957,703</b>  | <b>38,619,560</b>  | <b>40,951,044</b> | <b>38,391,478</b>  | <b>43,686,841</b> | <b>42,544,947</b> | <b>39,665,556</b> | <b>39,008,392</b> | <b>486,511,690</b> |
| Medicare Contractual Allowances        | 11,795,727        | 11,313,009        | 11,859,699          | 12,578,193        | 10,669,737         | 10,809,270         | 11,626,923        | 11,193,954         | 12,810,356        | 12,383,359        | 11,108,806        | 11,070,617        | 139,219,653        |
| Medi-Cal Contractual Allowances        | 11,806,500        | 11,323,479        | 11,870,394          | 12,739,590        | 10,779,665         | 10,869,371         | 11,737,634        | 11,003,996         | 12,821,782        | 12,394,487        | 11,119,181        | 11,080,820        | 139,546,897        |
| Bad Debt Expense                       | 1,090,268         | 1,067,977         | 1,084,504           | 1,135,990         | 1,028,230          | 1,040,928          | 1,085,658         | 1,036,552          | 1,138,145         | 1,116,238         | 1,060,996         | 1,048,388         | 12,933,874         |
| Charity Care                           | 56,754            | 55,153            | 56,340              | 60,037            | 52,298             | 53,210             | 56,423            | 52,896             | 60,192            | 58,619            | 54,652            | 53,746            | 670,317            |
| Other Contractuals & Adjustments       | 5,227,509         | 5,080,059         | 5,189,385           | 5,529,957         | 4,817,140          | 4,901,134          | 5,197,018         | 4,872,189          | 5,544,211         | 5,399,297         | 5,033,879         | 4,950,480         | 61,742,253         |
| Hospitalist/Peds Contractual Allowance | 13,009            | 12,642            | 12,914              | 13,762            | 11,988             | 12,197             | 12,933            | 12,125             | 13,797            | 13,437            | 12,527            | 12,320            | 153,651            |
| <b>Total Deductions From Revenue</b>   | <b>29,985,766</b> | <b>28,852,318</b> | <b>30,073,235</b>   | <b>32,057,528</b> | <b>27,359,057</b>  | <b>27,686,109</b>  | <b>29,716,588</b> | <b>28,171,711</b>  | <b>32,388,482</b> | <b>31,365,436</b> | <b>28,390,040</b> | <b>28,216,370</b> | <b>354,266,646</b> |
| <b>Net Patient Revenue</b>             | <b>11,205,542</b> | <b>11,177,124</b> | <b>10,817,661</b>   | <b>11,516,993</b> | <b>10,598,646</b>  | <b>10,933,450</b>  | <b>11,234,455</b> | <b>10,219,767</b>  | <b>11,298,359</b> | <b>11,179,510</b> | <b>11,275,516</b> | <b>10,792,021</b> | <b>132,245,045</b> |
| Other Operating Revenue                | 1,983,114         | 1,970,430         | 2,148,649           | 1,970,430         | 1,980,999          | 2,152,469          | 1,983,114         | 1,964,085          | 2,125,054         | 1,968,315         | 1,983,114         | 2,123,694         | 24,353,468         |
| <b>Net Operating Revenue</b>           | <b>13,184,656</b> | <b>13,147,555</b> | <b>12,966,310</b>   | <b>13,487,424</b> | <b>12,579,645</b>  | <b>13,085,919</b>  | <b>13,217,570</b> | <b>12,183,852</b>  | <b>13,423,412</b> | <b>13,147,826</b> | <b>13,258,630</b> | <b>12,915,715</b> | <b>156,598,513</b> |
| Salaries                               | 4,744,042         | 4,782,820         | 4,618,713           | 4,789,465         | 4,625,783          | 4,794,852          | 4,850,873         | 4,343,445          | 4,853,644         | 4,688,079         | 4,858,272         | 4,698,541         | 56,648,529         |
| Salaries/Contract                      | 507,448           | 507,448           | 491,079             | 507,448           | 491,079            | 507,448            | 507,448           | 458,340            | 507,448           | 491,079           | 507,448           | 491,079           | 5,974,789          |
| Benefits                               | 2,129,896         | 2,128,186         | 2,043,856           | 2,093,309         | 1,997,778          | 2,015,070          | 2,161,555         | 1,950,917          | 2,162,188         | 2,092,783         | 2,161,096         | 2,091,910         | 25,028,544         |
| ProfFees                               | 1,851,561         | 1,851,561         | 1,847,049           | 1,851,561         | 1,854,050          | 1,851,561          | 1,851,561         | 1,851,561          | 1,851,561         | 1,847,049         | 1,851,561         | 1,847,049         | 22,194,154         |
| Supplies                               | 1,225,247         | 1,258,719         | 1,268,372           | 1,303,326         | 1,159,153          | 1,333,575          | 1,307,181         | 1,169,807          | 1,258,219         | 1,258,345         | 1,288,405         | 1,225,741         | 15,056,091         |
| PurchSvcS                              | 1,325,305         | 1,325,305         | 1,291,576           | 1,325,305         | 1,291,576          | 1,325,305          | 1,210,102         | 1,108,916          | 1,210,102         | 1,176,373         | 1,210,102         | 1,176,373         | 14,976,340         |
| RentLease                              | 176,190           | 176,190           | 173,562             | 176,190           | 173,562            | 176,190            | 176,190           | 168,307            | 176,190           | 173,562           | 176,190           | 173,562           | 2,095,884          |
| Depreciation                           | 317,734           | 317,734           | 317,734             | 317,734           | 317,734            | 317,734            | 317,734           | 317,734            | 317,734           | 317,734           | 317,734           | 317,734           | 3,812,808          |
| Interest                               | 28,016            | 27,957            | 27,898              | 27,840            | 27,780             | 27,721             | 27,661            | 27,602             | 27,541            | 27,481            | 27,421            | 27,360            | 332,278            |
| Other                                  | 605,942           | 546,562           | 559,970             | 615,235           | 400,630            | 502,345            | 542,080           | 503,159            | 553,218           | 485,080           | 495,719           | 502,041           | 6,311,980          |
| <b>Total Expenses</b>                  | <b>12,911,381</b> | <b>12,922,482</b> | <b>12,639,810</b>   | <b>13,007,412</b> | <b>12,339,124</b>  | <b>12,851,800</b>  | <b>12,952,386</b> | <b>11,886,254</b>  | <b>12,917,845</b> | <b>12,557,566</b> | <b>12,893,948</b> | <b>12,551,391</b> | <b>152,431,399</b> |
| <b>Net Operating Income (Loss)</b>     | <b>273,275</b>    | <b>225,072</b>    | <b>326,500</b>      | <b>480,012</b>    | <b>240,520</b>     | <b>234,119</b>     | <b>265,184</b>    | <b>297,598</b>     | <b>505,567</b>    | <b>590,260</b>    | <b>364,682</b>    | <b>364,324</b>    | <b>4,167,114</b>   |
| Non-operating Revenue/Expense          | 41,667            | 41,667            | 41,667              | 41,667            | 41,667             | 41,667             | 41,667            | 41,667             | 41,667            | 41,667            | 41,667            | 41,667            | 500,000            |
| Donations                              |                   |                   |                     |                   |                    |                    |                   |                    |                   |                   |                   |                   |                    |

Hazel Hawkins Memorial Hospital  
Acute FY 2027

Income Statement Trend

|                                       | FY2027<br>July | FY2027<br>August | FY2027<br>September | FY2027<br>October | FY2027<br>November | FY2027<br>December | FY2027<br>January | FY2027<br>February | FY2027<br>March | FY2027<br>April | FY2027<br>May | FY2027<br>June | Total     |
|---------------------------------------|----------------|------------------|---------------------|-------------------|--------------------|--------------------|-------------------|--------------------|-----------------|-----------------|---------------|----------------|-----------|
| Property Tax Revenue                  | 241,486        | 241,486          | 241,486             | 241,486           | 241,486            | 241,486            | 241,486           | 241,486            | 241,486         | 241,486         | 241,486       | 241,486        | 2,897,835 |
| Go Bond Prop Taxes                    | 180,948        | 180,948          | 180,948             | 180,948           | 180,948            | 180,948            | 180,948           | 180,948            | 180,948         | 180,948         | 180,948       | 180,948        | 2,171,380 |
| Go Bond Int Revenue\Expense           | (56,818)       | (56,818)         | (56,818)            | (56,818)          | (56,818)           | (56,818)           | (56,818)          | (56,818)           | (56,818)        | (56,818)        | (56,818)      | (56,818)       | (681,811) |
| Other Non-Oper Revenue                | 15,786         | 15,786           | 15,786              | 15,786            | 15,786             | 15,786             | 15,786            | 15,786             | 15,786          | 15,786          | 15,786        | 15,786         | 189,429   |
| Other Non-Oper Expense                | (13,457)       | (13,457)         | (13,457)            | (13,457)          | (13,457)           | (13,457)           | (13,457)          | (13,457)           | (9,144)         | (9,144)         | (9,144)       | (9,144)        | (144,236) |
| Investment Income                     | 51,500         | 51,500           | 51,500              | 51,500            | 51,500             | 51,500             | 51,500            | 51,500             | 51,500          | 51,500          | 51,500        | 51,500         | 618,000   |
| Total Non-Operating Revenue/(Expense) | 461,112        | 461,112          | 461,112             | 461,112           | 461,112            | 461,112            | 461,112           | 461,112            | 465,425         | 465,425         | 465,425       | 465,425        | 5,550,597 |
| Net Surplus (Loss)                    | 734,387        | 686,184          | 787,613             | 941,124           | 701,633            | 695,231            | 726,296           | 758,710            | 970,992         | 1,055,685       | 830,108       | 829,749        | 9,717,711 |

Hazel Hawkins Memorial Hospital  
Skilled Nursing FY 2027  
Income Statement Trend

|                                        | FY2027<br>July   | FY2027<br>August | FY2027<br>September | FY2027<br>October | FY2027<br>November | FY2027<br>December | FY2027<br>January | FY2027<br>February | FY2027<br>March  | FY2027<br>April  | FY2027<br>May    | FY2027<br>June   | Total             |
|----------------------------------------|------------------|------------------|---------------------|-------------------|--------------------|--------------------|-------------------|--------------------|------------------|------------------|------------------|------------------|-------------------|
| Acute Routine Revenue                  | 0                | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0                | 0                | 0                | 0                | 0                 |
| SNF Routine Revenue                    | 2,210,301        | 2,210,301        | 2,139,000           | 2,210,300         | 2,139,000          | 2,210,300          | 2,210,300         | 1,996,400          | 2,210,300        | 2,138,999        | 2,210,300        | 2,138,999        | 26,024,500        |
| Ancillary Inpatient Revenue            | 479,336          | 479,336          | 463,873             | 479,335           | 463,873            | 479,335            | 470,874           | 425,053            | 470,853          | 455,292          | 470,384          | 455,415          | 5,592,958         |
| Hospitalists/Peds Inpatient Revenue    | 0                | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0                | 0                | 0                | 0                | 0                 |
| <b>Total Gross Inpatient Revenue</b>   | <b>2,689,637</b> | <b>2,689,636</b> | <b>2,602,873</b>    | <b>2,689,636</b>  | <b>2,602,873</b>   | <b>2,689,635</b>   | <b>2,681,174</b>  | <b>2,421,452</b>   | <b>2,681,153</b> | <b>2,594,291</b> | <b>2,680,684</b> | <b>2,594,414</b> | <b>31,617,458</b> |
| Ancillary Outpatient Revenue           | 0                | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0                | 0                | 0                | 0                | 0                 |
| Hospitalists/Peds Outpatient Revenue   | 0                | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0                | 0                | 0                | 0                | 0                 |
| <b>Total Gross Outpatient Revenue</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>            | <b>0</b>          | <b>0</b>           | <b>0</b>           | <b>0</b>          | <b>0</b>           | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>          |
| <b>Total Gross Patient Revenue</b>     | <b>2,689,637</b> | <b>2,689,636</b> | <b>2,602,873</b>    | <b>2,689,636</b>  | <b>2,602,873</b>   | <b>2,689,635</b>   | <b>2,681,174</b>  | <b>2,421,452</b>   | <b>2,681,153</b> | <b>2,594,291</b> | <b>2,680,684</b> | <b>2,594,414</b> | <b>31,617,458</b> |
| Medicare Contractual Allowances        | 309,850          | 309,850          | 299,855             | 309,850           | 299,855            | 309,850            | 309,850           | 279,864            | 309,850          | 299,855          | 309,850          | 299,855          | 3,648,239         |
| Medi-Cal Contractual Allowances        | 8,625            | 8,625            | 8,347               | 8,625             | 8,347              | 8,625              | 8,625             | 7,791              | 8,625            | 8,346            | 8,625            | 8,346            | 101,546           |
| Bad Debt Expense                       | 5,000            | 5,000            | 5,000               | 5,000             | 5,000              | 5,000              | 5,000             | 5,000              | 5,000            | 5,000            | 5,000            | 5,000            | 60,000            |
| Charity Care                           | 0                | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0                | 0                | 0                | 0                | 0                 |
| Other Contractuals & Adjustments       | 38,124           | 38,124           | 36,894              | 38,123            | 36,893             | 38,124             | 38,124            | 34,435             | 38,124           | 36,895           | 38,124           | 36,894           | 448,883           |
| Hospitalist/Peds Contractual Allowance | 0                | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0                | 0                | 0                | 0                | 0                 |
| <b>Total Deductions From Revenue</b>   | <b>361,599</b>   | <b>361,599</b>   | <b>350,096</b>      | <b>361,598</b>    | <b>350,095</b>     | <b>361,599</b>     | <b>361,599</b>    | <b>327,090</b>     | <b>361,599</b>   | <b>350,096</b>   | <b>361,599</b>   | <b>350,096</b>   | <b>4,258,667</b>  |
| <b>Net Patient Revenue</b>             | <b>2,328,038</b> | <b>2,328,037</b> | <b>2,252,777</b>    | <b>2,328,038</b>  | <b>2,252,777</b>   | <b>2,328,036</b>   | <b>2,319,575</b>  | <b>2,094,362</b>   | <b>2,319,554</b> | <b>2,244,195</b> | <b>2,319,085</b> | <b>2,244,318</b> | <b>27,358,791</b> |
| Other Operating Revenue                | 0                | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0                | 0                | 0                | 0                | 0                 |
| <b>Net Operating Revenue</b>           | <b>2,328,038</b> | <b>2,328,037</b> | <b>2,252,777</b>    | <b>2,328,038</b>  | <b>2,252,777</b>   | <b>2,328,036</b>   | <b>2,319,575</b>  | <b>2,094,362</b>   | <b>2,319,554</b> | <b>2,244,195</b> | <b>2,319,085</b> | <b>2,244,318</b> | <b>27,358,791</b> |
| Salaries                               | 1,198,731        | 1,200,065        | 1,162,182           | 1,202,817         | 1,164,183          | 1,209,814          | 1,219,289         | 1,103,191          | 1,221,501        | 1,182,458        | 1,222,701        | 1,189,927        | 14,276,857        |
| Salaries/Contract                      | 77,419           | 77,419           | 74,921              | 77,419            | 74,921             | 77,419             | 77,419            | 69,927             | 77,419           | 74,921           | 77,419           | 74,921           | 911,544           |
| Benefits                               | 569,520          | 569,813          | 551,605             | 570,006           | 550,077            | 567,272            | 574,930           | 519,685            | 575,409          | 556,921          | 575,354          | 557,884          | 6,738,476         |
| ProFees                                | 7,000            | 7,000            | 7,000               | 7,000             | 7,000              | 7,000              | 7,000             | 7,000              | 7,000            | 7,000            | 7,000            | 7,000            | 84,000            |
| Supplies                               | 117,339          | 116,675          | 114,767             | 116,783           | 116,044            | 116,380            | 115,874           | 112,991            | 116,330          | 115,108          | 116,723          | 116,258          | 1,391,272         |
| PurchSvc                               | 115,130          | 115,130          | 111,416             | 115,130           | 111,416            | 115,130            | 115,130           | 103,989            | 115,130          | 111,416          | 115,130          | 111,416          | 1,355,565         |
| Rent/Lease                             | 17,377           | 17,377           | 17,359              | 17,377            | 17,359             | 17,377             | 17,377            | 17,324             | 17,377           | 17,359           | 17,377           | 17,359           | 208,403           |
| Depreciation                           | 40,245           | 40,245           | 40,245              | 40,245            | 40,245             | 40,245             | 40,245            | 40,245             | 40,245           | 40,245           | 40,245           | 40,245           | 482,938           |
| Interest                               | 0                | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0                | 0                | 0                | 0                | 0                 |
| Other                                  | 67,321           | 67,321           | 65,231              | 67,321            | 65,231             | 67,321             | 67,321            | 61,050             | 67,321           | 65,231           | 67,321           | 65,231           | 793,224           |
| <b>Total Expenses</b>                  | <b>2,210,083</b> | <b>2,211,046</b> | <b>2,144,727</b>    | <b>2,214,098</b>  | <b>2,146,477</b>   | <b>2,217,959</b>   | <b>2,234,585</b>  | <b>2,035,401</b>   | <b>2,237,732</b> | <b>2,170,659</b> | <b>2,239,271</b> | <b>2,180,241</b> | <b>26,242,279</b> |
| <b>Net Operating Income (Loss)</b>     | <b>117,955</b>   | <b>116,991</b>   | <b>108,050</b>      | <b>113,939</b>    | <b>106,301</b>     | <b>110,077</b>     | <b>84,990</b>     | <b>58,961</b>      | <b>81,821</b>    | <b>73,535</b>    | <b>79,814</b>    | <b>64,077</b>    | <b>1,116,511</b>  |
| Non-operating Revenue/Expense          | 0                | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0                | 0                | 0                | 0                | 0                 |
| Donations                              | 0                | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0                | 0                | 0                | 0                | 0                 |

Hazel Hawkins Memorial Hospital  
 Skilled Nursing FY 2027  
 Income Statement Trend

|                                       | FY2027<br>July | FY2027<br>August | FY2027<br>September | FY2027<br>October | FY2027<br>November | FY2027<br>December | FY2027<br>January | FY2027<br>February | FY2027<br>March | FY2027<br>April | FY2027<br>May | FY2027<br>June | Total     |
|---------------------------------------|----------------|------------------|---------------------|-------------------|--------------------|--------------------|-------------------|--------------------|-----------------|-----------------|---------------|----------------|-----------|
| Property Tax Revenue                  | 47,615         | 42,615           | 42,615              | 42,615            | 42,615             | 42,615             | 42,615            | 42,615             | 42,615          | 42,615          | 42,615        | 42,615         | 511,383   |
| Go Bond Prop Taxes                    | 0              | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0               | 0               | 0             | 0              | 0         |
| Go Bond Int Revenue\Expense           | 0              | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0               | 0               | 0             | 0              | 0         |
| Other Non-Oper Revenue                | 0              | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0               | 0               | 0             | 0              | 0         |
| Other Non-Oper Expense                | (3,859)        | (3,859)          | (3,859)             | (3,859)           | (3,859)            | (3,859)            | (3,859)           | (3,859)            | (2,622)         | (2,622)         | (2,622)       | (2,622)        | (41,364)  |
| Investment Income                     | 0              | 0                | 0                   | 0                 | 0                  | 0                  | 0                 | 0                  | 0               | 0               | 0             | 0              | 0         |
| Total Non-Operating Revenue/(Expense) | 38,756         | 38,756           | 38,756              | 38,756            | 38,756             | 38,756             | 38,756            | 38,756             | 39,993          | 39,993          | 39,993        | 39,993         | 470,019   |
| Net Surplus (Loss)                    | 156,711        | 155,747          | 146,806             | 152,695           | 145,056            | 148,833            | 123,746           | 97,717             | 121,814         | 113,528         | 119,807       | 104,070        | 1,586,531 |

# San Benito Health Care District

## Budgeted Cash Flow

FYE June 30, 2027

| Description                             | FY 2027                |                          |                             |                           |                            |                            |                           |                            |                         |                         |                       |                        | Total          |
|-----------------------------------------|------------------------|--------------------------|-----------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|-----------------------|------------------------|----------------|
|                                         | Budget<br>July<br>2026 | Budget<br>August<br>2026 | Budget<br>September<br>2026 | Budget<br>October<br>2026 | Budget<br>November<br>2026 | Budget<br>December<br>2026 | Budget<br>January<br>2027 | Budget<br>February<br>2027 | Budget<br>March<br>2027 | Budget<br>April<br>2027 | Budget<br>May<br>2027 | Budget<br>June<br>2027 |                |
| Recurring Revenue                       | \$ 13,515,331          | \$ 13,157,478            | \$ 13,398,081               | \$ 14,249,381             | \$ 12,482,857              | \$ 12,723,232              | \$ 13,438,723             | \$ 12,570,383              | \$ 14,281,342           | \$ 13,902,885           | \$ 13,042,842         | \$ 12,813,864          | \$ 159,583,779 |
| H.R. 1 Medicare & Medi-Cal Reductions   | -                      | -                        | -                           | -                         | -                          | -                          | -                         | -                          | -                       | -                       | -                     | -                      | -              |
| Net Supplemental & Other Oper. Revenue  | 220,996                | (7,893,658)              | 876,712                     | 495,996                   | 21,073,503                 | 876,712                    | 4,351,263                 | 170,996                    | 1,276,712               | 180,996                 | 871,523               | 1,871,712              | 24,353,467     |
| Total Cash Receipts                     | \$ 13,736,327          | \$ 5,263,818             | \$ 14,274,794               | \$ 14,745,377             | \$ 33,556,361              | \$ 13,600,944              | \$ 17,789,987             | \$ 12,741,379              | \$ 15,558,055           | \$ 14,083,882           | \$ 13,914,365         | \$ 14,685,574          | \$ 183,937,246 |
| Operating Cash Disbursements            | 14,763,485             | 14,775,550               | 14,428,558                  | 14,863,532                | 14,127,823                 | 14,711,780                 | 14,828,992                | 13,563,877                 | 14,797,589              | 14,370,246              | 14,775,239            | 14,373,854             | 174,377,935    |
| Defined Benefit Pension Funding         | 200,000                | 200,000                  | 200,000                     | 200,000                   | 200,000                    | 200,000                    | 200,000                   | 200,000                    | 200,000                 | 200,000                 | 200,000               | 200,000                | 2,400,000      |
| Operating Cash Flow                     | (1,227,158)            | (9,711,732)              | (383,764)                   | (318,176)                 | 19,238,538                 | (1,311,836)                | 2,780,995                 | (1,022,298)                | 860,466                 | (806,364)               | (1,061,073)           | 111,723                | 7,189,311      |
| Other Non-Operating Revenue/Expenses:   | -                      | -                        | -                           | -                         | -                          | -                          | -                         | -                          | -                       | -                       | -                     | -                      | -              |
| Property Taxes - Revenue                | -                      | -                        | -                           | -                         | -                          | 1,875,070                  | -                         | -                          | -                       | -                       | 1,534,148             | -                      | 3,409,218      |
| Donations                               | -                      | -                        | -                           | -                         | -                          | -                          | 500,000                   | -                          | -                       | -                       | -                     | -                      | 500,000        |
| Investment Income                       | 51,500                 | 51,500                   | 51,500                      | 51,500                    | 51,500                     | 51,500                     | 51,500                    | 51,500                     | 51,500                  | 51,500                  | 51,500                | 51,500                 | 618,000        |
| Capital Expenditures                    | (250,000)              | (250,000)                | (250,000)                   | (1,250,000)               | (1,500,000)                | (1,500,000)                | (1,650,000)               | (750,000)                  | (750,000)               | (250,000)               | (250,000)             | (250,000)              | (8,900,000)    |
| Lab Remodel                             | -                      | -                        | -                           | -                         | -                          | -                          | (500,000)                 | (1,000,000)                | (1,000,000)             | (1,000,000)             | (1,000,000)           | (1,000,000)            | (5,000,000)    |
| 2021 Revenue Bonds Expense              | (156,067)              | (156,067)                | (156,067)                   | (156,067)                 | (156,067)                  | (156,067)                  | (156,067)                 | (156,067)                  | (156,067)               | (156,067)               | (156,067)             | (156,067)              | (1,872,400)    |
| Net Cash Flow                           | \$ (1,581,724)         | \$ (10,066,299)          | \$ (708,331)                | \$ (1,672,742)            | \$ 17,633,971              | \$ (1,041,332)             | \$ 1,006,428              | \$ (2,876,865)             | \$ (1,284,111)          | \$ (1,860,798)          | \$ (881,359)          | \$ (1,242,711)         | \$ (4,585,871) |
| % of Revenue                            | -12%                   | -191%                    | -5%                         | -11%                      | 53%                        | -8%                        | 6%                        | -23%                       | -8%                     | -13%                    | -6%                   | -8%                    | -2%            |
| Beginning Cash Balance (June 2026)      | \$ 43,064,101          | \$ 41,432,377            | \$ 31,316,078               | \$ 30,667,747             | \$ 28,836,006              | \$ 46,418,977              | \$ 46,327,844             | \$ 46,284,072              | \$ 43,357,208           | \$ 42,013,096           | \$ 40,102,299         | \$ 39,170,940          | \$ 43,064,101  |
| Net Cash Flow                           | (1,581,724)            | (10,066,299)             | (708,331)                   | (1,672,742)               | 17,633,971                 | (1,041,332)                | 1,006,428                 | (2,876,865)                | (1,284,111)             | (1,860,798)             | (881,359)             | (1,242,711)            | (4,585,871)    |
| DHLP Funding - Loan (Separate Acct.)    | -                      | -                        | -                           | -                         | -                          | -                          | -                         | -                          | -                       | -                       | -                     | -                      | -              |
| Usage of DHLP                           | -                      | -                        | -                           | -                         | -                          | -                          | -                         | -                          | -                       | -                       | -                     | -                      | -              |
| Less: Repayment (from Operational fund) | 50,000                 | 50,000                   | 50,000                      | 50,000                    | 50,000                     | 50,000                     | 50,000                    | 50,000                     | 50,000                  | 50,000                  | 50,000                | 50,000                 | 600,000        |
| Ending Cash Balance                     | \$ 41,432,377          | \$ 31,316,078            | \$ 30,667,747               | \$ 28,836,006             | \$ 46,418,977              | \$ 45,377,644              | \$ 46,284,072             | \$ 43,357,208              | \$ 42,013,096           | \$ 40,102,299           | \$ 39,170,940         | \$ 37,878,230          | \$ 37,878,230  |

Net Decrease  
Cost per Day  
Days Cash on Hand

\$ 5,185,871  
477,748  
76.28

- A - The revenue we collect for providing patient services.
- B - The Medicare sequestration increase and DSH reductions were not implemented. The Medi-Cal reductions were budgeted in Bad Debt Expense and a reduction to Supplemental payments.
- C - Includes estimated reductions for Supplemental payments.
- D - Cash outflow related to operational expenses for the District.
- E - Funding for the frozen defined benefit pension plan per the actuary's 10-year funding schedule.
- F - Property taxes received from the County.
- G - Capital expenditures for non-DHLP projects and equipment.
- H - Cal-Mortgage revenue bonds. The Measure L 2005 G.O. bond payments are not included since the funding is a passthrough for the District.
- I - Payments for the \$2.7 million drawn from the DHLP. The District will apply for the remaining \$7.3 million in funding when the bid for the final phase of the lab remodel is accepted.

**San Benito Health Care District**

**Budgeted Cash Flow - with DHLP Funding**

FYE June 30, 2027

| Description                             | FY 2027                |                          |                             |                           |                            |                            |                           |                            |                         |                         |                       |                        | Total          |
|-----------------------------------------|------------------------|--------------------------|-----------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|-------------------------|-------------------------|-----------------------|------------------------|----------------|
|                                         | Budget<br>July<br>2026 | Budget<br>August<br>2026 | Budget<br>September<br>2026 | Budget<br>October<br>2026 | Budget<br>November<br>2026 | Budget<br>December<br>2026 | Budget<br>January<br>2027 | Budget<br>February<br>2027 | Budget<br>March<br>2027 | Budget<br>April<br>2027 | Budget<br>May<br>2027 | Budget<br>June<br>2027 |                |
| Recurring Revenue                       | \$ 13,515,331          | \$ 13,157,476            | \$ 13,398,081               | \$ 14,249,361             | \$ 12,492,857              | \$ 12,723,232              | \$ 13,438,723             | \$ 12,570,983              | \$ 14,281,342           | \$ 13,902,885           | \$ 13,042,842         | \$ 12,813,864          | \$ 159,583,779 |
| H.R. 1 Medicare & Medi-Cal Reductions   | -                      | -                        | -                           | -                         | -                          | -                          | -                         | -                          | -                       | -                       | -                     | -                      | -              |
| Net Supplemental & Other Oper. Revenue  | 220,896                | (7,893,558)              | 876,712                     | 495,996                   | 21,073,503                 | 876,712                    | 4,351,263                 | 170,966                    | 1,276,712               | 180,986                 | 871,523               | 1,871,712              | 24,353,467     |
| Total Cash Receipts                     | 13,736,327             | 5,263,918                | 14,274,794                  | 14,745,357                | 33,566,161                 | 13,600,944                 | 17,789,987                | 12,741,379                 | 15,558,058              | 14,083,872              | 13,914,365            | 14,685,574             | 183,937,246    |
| Operating Cash Disbursements            | 14,763,485             | 14,775,550               | 14,426,558                  | 14,863,532                | 14,127,523                 | 14,711,780                 | 14,828,982                | 13,563,877                 | 14,797,598              | 14,370,246              | 14,775,239            | 14,373,654             | 174,377,835    |
| Defined Benefit Pension Funding         | 200,000                | 200,000                  | 200,000                     | 200,000                   | 200,000                    | 200,000                    | 200,000                   | 200,000                    | 200,000                 | 200,000                 | 200,000               | 200,000                | 2,400,000      |
| Operating Cash Flow                     | (1,227,158)            | (9,711,732)              | (383,764)                   | (318,176)                 | 19,239,638                 | (1,311,836)                | 2,760,995                 | (1,022,298)                | 580,456                 | (606,364)               | (1,061,073)           | 111,723                | 7,169,311      |
| Other Non-Operating Revenue/Expenses:   | -                      | -                        | -                           | -                         | -                          | -                          | -                         | -                          | -                       | -                       | -                     | -                      | -              |
| Property Taxes - Revenue                | -                      | -                        | -                           | -                         | -                          | 1,875,070                  | -                         | -                          | -                       | -                       | 1,534,148             | -                      | 3,409,218      |
| Donations                               | -                      | -                        | -                           | -                         | -                          | -                          | 500,000                   | -                          | -                       | -                       | -                     | -                      | 500,000        |
| Investment Income                       | 51,500                 | 51,500                   | 51,500                      | 51,500                    | 51,500                     | 51,500                     | 51,500                    | 51,500                     | 51,500                  | 51,500                  | 51,500                | 51,500                 | 618,000        |
| Capital Expenditures                    | (250,000)              | (250,000)                | (250,000)                   | (1,250,000)               | (1,500,000)                | (1,500,000)                | (1,650,000)               | (750,000)                  | (750,000)               | (250,000)               | (250,000)             | (250,000)              | (8,900,000)    |
| Lab Remodel (see Usage of DHLP)         | -                      | -                        | -                           | -                         | -                          | -                          | -                         | -                          | -                       | -                       | -                     | -                      | -              |
| 2021 Revenue Bonds Expense              | (156,067)              | (156,067)                | (156,067)                   | (156,067)                 | (156,067)                  | (156,067)                  | (156,067)                 | (156,067)                  | (156,067)               | (155,933)               | (155,933)             | (155,933)              | (1,872,400)    |
| Net Cash Flow                           | \$ (1,581,724)         | \$ (10,066,299)          | \$ (708,331)                | \$ (1,672,742)            | \$ (1,633,971)             | \$ (1,041,332)             | \$ (1,606,428)            | \$ (1,876,865)             | \$ (294,111)            | \$ (850,798)            | \$ (118,641)          | \$ (242,711)           | \$ 914,129     |
| % of Revenue                            | -12%                   | -191%                    | -5%                         | -11%                      | 53%                        | -6%                        | 8%                        | -15%                       | -2%                     | -6%                     | 1%                    | -2%                    | 0%             |
| Beginning Cash Balance (June 2026)      | \$ 43,064,101          | \$ 41,432,377            | \$ 31,316,078               | \$ 30,667,747             | \$ 28,835,006              | \$ 40,418,977              | \$ 52,483,836             | \$ 63,236,463              | \$ 60,136,779           | \$ 46,617,866           | \$ 46,633,251         | \$ 45,428,083          | \$ 43,064,101  |
| Net Cash Flow                           | (1,581,724)            | (10,066,299)             | (708,331)                   | (1,672,742)               | 17,633,971                 | (1,041,332)                | 1,506,428                 | (1,876,865)                | (294,111)               | (850,798)               | 118,641               | (242,711)              | 914,129        |
| DHLP Funding - Loan (Separate Acct.)    | -                      | -                        | -                           | -                         | -                          | 7,300,000                  | -                         | -                          | -                       | -                       | -                     | -                      | 7,300,000      |
| Usage of DHLP                           | -                      | -                        | -                           | -                         | -                          | -                          | (500,000)                 | (1,000,000)                | (1,000,000)             | (1,000,000)             | (1,000,000)           | (1,000,000)            | (5,500,000)    |
| Less: Repayment (from Operational fund) | 50,000                 | 50,000                   | 50,000                      | 50,000                    | 50,000                     | 223,810                    | 223,810                   | 223,810                    | 223,810                 | 223,810                 | 223,810               | 223,810                | 1,816,667      |
| Ending Cash Balance                     | \$ 41,432,377          | \$ 31,316,078            | \$ 30,667,747               | \$ 28,835,006             | \$ 46,418,977              | \$ 62,463,836              | \$ 63,236,463             | \$ 60,136,779              | \$ 49,617,866           | \$ 46,633,251           | \$ 46,428,083         | \$ 45,961,663          | \$ 43,961,663  |

Net Increase  
Cost per Day  
Days Cash on Hand

\$ 887,462  
477,748  
92.02

- A - The revenue we collect for providing patient services.  
B - The Medicare sequestration increase and DSH reductions were not implemented. The Medi-Cal reductions were budgeted in Bad Debt Expense and a reduction to Supplemental payments.  
C - Includes estimated reductions for Supplemental payments.  
D - Cash outflow related to operational expenses for the District.  
E - Funding for the frozen defined benefit pension plan per the actuary's 10-year funding schedule.  
F - Property taxes received from the County.  
G - Capital expenditures for non-DHLP projects and equipment.  
H - Cal-Mortgage revenue bonds. The Measure L 2005 G.O. bond payments are not included since the funding is a passthrough for the District.  
I - Payments for the \$2.7 million drawn from the DHLP. The District will apply for the remaining \$7.3 million in funding when the bid for the final phase of the lab remodel is accepted.

**SAN BENITO HEALTH CARE DISTRICT**  
CAPITAL EQUIPMENT FOR FISCAL YEAR ENDING JUNE 30, 2027

| DEPARTMENT            | FACILITY/DESCRIPTION                                                   | QTY | UNIT | AMOUNT    | 9/26      | 12/26   | 3/27      | 6/27    | TOTAL     | 2026    | 2027    | TOTAL   | 2028   | 2029   | 2030   | 2031   |
|-----------------------|------------------------------------------------------------------------|-----|------|-----------|-----------|---------|-----------|---------|-----------|---------|---------|---------|--------|--------|--------|--------|
| <b>HOSPITAL/ACUTE</b> |                                                                        |     |      |           |           |         |           |         |           |         |         |         |        |        |        |        |
| Intensive Care Unit   | Monitors and Transport Monitors                                        | 4   |      | 27,047    | 108,188   | 27,047  | 27,047    | 27,047  | 108,188   |         |         |         |        |        |        |        |
| Med Surgical Unit     | Vital Sign Monitors                                                    | 18  |      | 3,412     | 61,418    |         | 61,418    |         | 61,418    |         |         |         |        |        |        |        |
| OB                    | Rapid Blood Infusion Pump                                              | 1   |      | 45,000    | 45,000    |         |           |         | 45,000    |         |         |         |        |        |        |        |
| OB                    | OR Lights in OB C-Section Operating Room                               | 1   |      | 86,589    | 86,589    |         |           |         | 86,589    |         |         |         |        |        |        |        |
| OB                    | Hill Rom Specialty Birthing Beds                                       | 12  |      | 13,860    | 166,860   |         |           |         | 166,860   |         |         |         |        |        |        |        |
| OB                    | Phillips Fetal Monitors                                                | 4   |      | 20,000    | 80,000    |         |           |         | 80,000    |         |         |         |        |        |        |        |
| OB                    | Phillips Avalon Telemetry Monitor Adaptors                             | 2   |      | 12,000    | 24,000    |         |           |         | 24,000    |         |         |         |        |        |        |        |
| OB                    | TOTAL                                                                  | 20  |      | 402,259   | 131,589   | 67,760  | 24,000    | 67,760  | 291,149   | 27,780  | 27,780  | 27,780  | 27,780 | 27,780 | 27,780 | 27,780 |
| Emergency Room        | Stryker Gurneys                                                        | 12  |      | 5,000     | 60,000    |         |           |         | 60,000    |         |         |         |        |        |        |        |
| Emergency Room        | Gynnie Stretchers                                                      | 4   |      | 6,300     | 25,200    |         |           |         | 25,200    |         |         |         |        |        |        |        |
| Emergency Room        | Bedside Monitors                                                       | 18  |      | 15,500    | 279,000   | 68,750  | 68,750    | 68,750  | 68,750    |         |         |         |        |        |        |        |
| Emergency Room        | TOTAL                                                                  | 34  |      | 364,200   | 91,050    | 91,050  | 91,050    | 91,050  | 364,200   |         |         |         |        |        |        |        |
| Lab                   | Microscopes                                                            | 1   |      | 20,000    | 20,000    |         |           |         | 20,000    |         |         |         |        |        |        |        |
| Lab                   | Matrix-Assisted Laser Desorption/Ionization Time-of-Flight Analyzer    | 1   |      | 200,000   | 200,000   |         |           |         | 200,000   |         |         |         |        |        |        |        |
| Lab                   | Infectious Disease Analyzer                                            | 1   |      | 200,000   | 200,000   |         |           |         | 200,000   |         |         |         |        |        |        |        |
| Lab                   | Lab Middleware                                                         | 1   |      | 100,000   | 100,000   |         |           |         | 100,000   |         |         |         |        |        |        |        |
| Lab                   | Hematology Analyzer                                                    | 2   |      | 250,000   | 500,000   |         |           |         | 500,000   |         |         |         |        |        |        |        |
| Lab                   | Refrigerators and Freezers                                             | 2   |      | 20,000    | 40,000    |         |           |         | 40,000    |         |         |         |        |        |        |        |
| Lab                   | Bact Alert Analyzer                                                    | 1   |      | 280,000   | 280,000   |         |           |         | 280,000   |         |         |         |        |        |        |        |
| Lab                   | Platelet Rotator                                                       | 1   |      | 30,000    | 30,000    |         |           |         | 30,000    |         |         |         |        |        |        |        |
| Lab                   | Allergy Testing Analyzer                                               | 1   |      | 250,000   | 250,000   |         |           |         | 250,000   |         |         |         |        |        |        |        |
| Lab                   | Construction ROM Phase 3-4                                             | 1   |      | 7,770,000 | 7,770,000 |         |           |         | 7,770,000 |         |         |         |        |        |        |        |
| Lab                   | Urinalysis Analyzer                                                    | 1   |      | 150,000   | 150,000   |         |           |         | 150,000   |         |         |         |        |        |        |        |
| Lab                   | Centrifuge                                                             | 2   |      | 15,000    | 30,000    |         |           |         | 30,000    |         |         |         |        |        |        |        |
| Lab                   | Blood Bank Analyzer                                                    | 1   |      | 150,000   | 150,000   |         |           |         | 150,000   |         |         |         |        |        |        |        |
| Lab                   | CO <sub>2</sub> Incubator                                              | 1   |      | 15,000    | 15,000    |         |           |         | 15,000    |         |         |         |        |        |        |        |
| Lab                   | Coagulation Analyzer                                                   | 2   |      | 50,000    | 100,000   |         |           |         | 100,000   |         |         |         |        |        |        |        |
| Lab                   | Phlebotomy Handheld Devices and Printers for Electronic Identification | 1   |      | 80,000    | 80,000    |         |           |         | 80,000    |         |         |         |        |        |        |        |
| Lab                   | TOTAL                                                                  | 20  |      | 9,815,000 | 860,000   | 40,000  | 7,800,000 | 150,000 | 8,850,000 | 235,000 | 250,000 | 100,000 |        |        |        |        |
| Operating Room        | OR/PACU Rebuild                                                        | 1   |      | 7,000,000 | 7,000,000 |         |           |         | 7,000,000 |         |         |         |        |        |        |        |
| Operating Room        | Towers/Light Sources for HHH OR                                        | 1   |      | 160,000   | 160,000   |         |           |         | 160,000   |         |         |         |        |        |        |        |
| Operating Room        | Ligature/Bovie                                                         | 1   |      | 25,000    | 25,000    |         |           |         | 25,000    |         |         |         |        |        |        |        |
| Operating Room        | HHH PACU Monitors                                                      | 2   |      | 41,000    | 82,000    |         |           |         | 82,000    |         |         |         |        |        |        |        |
| Operating Room        | Endoscopy Scopes Colonoscopes                                          | 3   |      | 66,250    | 198,750   |         |           |         | 198,750   |         |         |         |        |        |        |        |
| Operating Room        | Endoscopy Scopes EGD                                                   | 2   |      | 48,136    | 96,272    |         |           |         | 96,272    |         |         |         |        |        |        |        |
| Operating Room        | GI Video System w/Monitors                                             | 2   |      | 59,000    | 118,000   |         |           |         | 118,000   |         |         |         |        |        |        |        |
| Operating Room        | Stryker Power System 8 or 9 With Battery Packs                         | 1   |      | 240,000   | 240,000   |         |           |         | 240,000   |         |         |         |        |        |        |        |
| Operating Room        | Mizuho OSI Jackson Spine Table                                         | 1   |      | 150,000   | 150,000   |         |           |         | 150,000   |         |         |         |        |        |        |        |
| Operating Room        | TE Flex Ultrasound System                                              | 1   |      | 54,600    | 54,600    |         |           |         | 54,600    |         |         |         |        |        |        |        |
| Operating Room        | Surgical Beds                                                          | 3   |      | 117,300   | 351,900   |         |           |         | 351,900   |         |         |         |        |        |        |        |
| Operating Room        | TOTAL                                                                  | 18  |      | 8,476,522 | 150,000   | 764,886 | 321,636   |         | 1,236,522 | 240,000 |         |         |        |        |        |        |
| Recovery Room         | PACU Monitors w/Capnography                                            | 10  |      | 30,000    | 300,000   |         |           |         | 300,000   |         |         |         |        |        |        |        |
| Recovery Room         | Gurneys                                                                | 10  |      | 9,000     | 90,000    |         |           |         | 90,000    |         |         |         |        |        |        |        |
| Recovery Room         | TOTAL                                                                  | 20  |      | 390,000   | 390,000   |         |           |         | 390,000   |         |         |         |        |        |        |        |

**SAN BENITO HEALTH CARE DISTRICT**  
CAPITAL EQUIPMENT FOR FISCAL YEAR ENDING JUNE 30, 2027

| DEPARTMENT                |                                                   | FACILITY DESCRIPTION |  | AMOUNT |           | QUARTER ENDING |            |           |           | TOTAL     |            | TOTAL      |           | TOTAL     |            | TOTAL |  |
|---------------------------|---------------------------------------------------|----------------------|--|--------|-----------|----------------|------------|-----------|-----------|-----------|------------|------------|-----------|-----------|------------|-------|--|
|                           |                                                   |                      |  | QTY    | UNIT      | EXTENDED       | 9/26       | 12/26     | 3/27      | 6/27      | 2027       | 2028       | 2029      | 2030      | 2031       |       |  |
| Radiology                 | Ultrasound Machine                                |                      |  | 1      | 200,000   | 200,000        | 200,000    |           |           |           | 200,000    |            |           |           |            |       |  |
| Radiology                 | Mammogram Unit                                    |                      |  | 1      | 450,000   | 450,000        |            |           |           |           | 450,000    |            |           |           |            |       |  |
| Radiology                 | Mammography Construction Phase                    |                      |  | 1      | 500,000   | 500,000        |            |           |           |           | 500,000    |            |           |           |            |       |  |
| Radiology                 | Dexa Machine                                      |                      |  | 1      | 90,000    | 90,000         |            |           |           |           |            |            | 90,000    |           |            |       |  |
| Radiology                 | Dexa Construction Phase                           |                      |  | 1      | 500,000   | 500,000        |            |           |           |           |            |            | 500,000   |           |            |       |  |
| Radiology                 | Fluoroscopy Machine                               |                      |  | 1      | 600,000   | 600,000        |            |           |           |           |            |            | 600,000   |           |            |       |  |
| Radiology                 | Fluore Construction Phase                         |                      |  | 1      | 2,000,000 | 2,000,000      |            |           |           |           |            |            | 2,000,000 |           |            |       |  |
| Radiology                 | X-Ray Machine                                     |                      |  | 1      | 500,000   | 500,000        |            |           |           |           |            |            | 500,000   |           |            |       |  |
| Radiology                 | X-Ray Construction Phase                          |                      |  | 2      | 2,000,000 | 2,000,000      |            |           |           |           |            |            | 2,000,000 |           |            |       |  |
| Radiology                 | Portable X-Ray Machine                            |                      |  | 2      | 170,000   | 340,000        |            |           |           |           |            |            | 340,000   |           |            |       |  |
| Radiology                 | Gurneys                                           |                      |  | 2      | 12,000    | 24,000         |            | 24,000    |           |           | 24,000     |            |           |           |            |       |  |
| Radiology                 | Blanket Warmer                                    |                      |  | 1      | 15,000    | 15,000         |            | 15,000    |           |           | 15,000     |            |           |           |            |       |  |
| Radiology                 | CD Burner                                         |                      |  | 1      | 20,000    | 20,000         |            | 20,000    |           |           | 20,000     |            |           |           |            |       |  |
| Radiology                 | Outpatient CT Machine                             |                      |  | 1      | 900,000   | 900,000        |            | 900,000   |           |           | 900,000    |            |           |           |            |       |  |
| Radiology                 | CT Machine Construction Phase                     |                      |  | 1      | 2,000,000 | 2,000,000      |            | 2,000,000 |           |           | 2,000,000  |            |           |           |            |       |  |
| Radiology                 | ER CT Machine                                     |                      |  | 1      | 900,000   | 900,000        |            | 900,000   |           |           | 900,000    |            |           |           |            |       |  |
| Radiology                 | ER CT Construction Phase                          |                      |  | 1      | 2,000,000 | 2,000,000      |            | 2,000,000 |           |           | 2,000,000  |            |           |           |            |       |  |
| Radiology                 | MRI Machine                                       |                      |  | 1      | 1,500,000 | 1,500,000      |            | 1,500,000 |           |           | 1,500,000  |            |           |           |            |       |  |
| Radiology                 | MRI Construction Phase                            |                      |  | 1      | 2,000,000 | 2,000,000      |            | 2,000,000 |           |           | 2,000,000  |            |           |           |            |       |  |
| TOTAL                     |                                                   |                      |  | 21     |           | 16,539,000     | 3,120,000  | 35,000    | 950,000   | 170,000   | 4,279,000  | 3,670,000  | 3,190,000 | 2,500,000 | 12,900,000 |       |  |
| EKG                       |                                                   |                      |  | 2      |           | 17,000         | 34,000     |           |           |           |            | 17,000     |           |           |            |       |  |
| Phillips TC70 Cardiograph |                                                   |                      |  |        |           |                |            |           |           |           |            |            |           |           |            |       |  |
| Respiratory               | Servo Air Ventilators                             |                      |  | 4      | 20,000    | 80,000         | 20,000     | 20,000    |           |           | 40,000     | 20,000     |           |           |            |       |  |
| Respiratory               | Auto BIPAP                                        |                      |  | 1      | 5,000     | 5,000          |            |           |           |           | 5,000      |            |           |           |            |       |  |
| Respiratory               | PB 960 Ventilators                                |                      |  | 3      | 35,000    | 105,000        |            |           |           |           |            |            | 35,000    |           |            |       |  |
| TOTAL                     |                                                   |                      |  | 8      |           | 190,000        | 25,000     | 20,000    |           |           | 45,000     | 20,000     | 55,000    | 35,000    | 35,000     |       |  |
| Clinics                   | Non-Stress Test Machine                           |                      |  | 1      | 10,000    | 10,000         | 10,000     |           |           |           | 10,000     |            |           |           |            |       |  |
| Clinics                   | Exam Beds                                         |                      |  | 22     | 8,000     | 176,000        | 44,000     | 44,000    | 44,000    | 44,000    | 176,000    |            |           |           |            |       |  |
| TOTAL                     |                                                   |                      |  | 23     |           | 186,000        | 54,000     | 44,000    | 44,000    | 44,000    | 186,000    |            |           |           |            |       |  |
| Disaster Mgmt/Security    | Metal Detectors                                   |                      |  | 2      | 175,000   | 350,000        |            |           |           |           |            |            |           |           |            |       |  |
| Disaster Mgmt/Security    | Security Vehicle                                  |                      |  | 1      | 60,000    | 60,000         | 60,000     |           |           |           | 60,000     |            |           |           |            |       |  |
| Disaster Mgmt/Security    | Mass Casualty Incident Gurneys                    |                      |  | 1      | 60,000    | 60,000         | 60,000     |           |           |           | 60,000     |            |           |           |            |       |  |
| TOTAL                     |                                                   |                      |  | 4      |           | 470,000        | 120,000    | 175,000   |           |           | 470,000    |            |           |           |            |       |  |
| Dietary                   | Kitchen and Storeroom Flooring                    |                      |  | 1      | 40,000    | 40,000         |            |           | 40,000    |           | 40,000     |            |           |           |            |       |  |
| Information Technology    | Office 365                                        |                      |  | 700    | 360       | 252,000        | 252,000    |           |           |           |            |            |           |           |            |       |  |
| Information Technology    | Imprivata Single Sign On                          |                      |  | 450    | 200       | 90,000         |            |           |           |           |            |            |           |           |            |       |  |
| Information Technology    | Disaster Offsite Recovery                         |                      |  | 1      | 100,000   | 100,000        | 100,000    |           |           |           | 100,000    |            |           |           |            |       |  |
| Information Technology    | TrendMicro Zero Trust Cybersecurity               |                      |  | 3      | 22,000    | 66,000         | 150,000    |           |           |           | 22,000     |            |           |           |            |       |  |
| Information Technology    | VMWare License Expansion for Disaster Recovery    |                      |  | 20     | 1,305     | 26,100         | 28,100     |           |           |           | 26,100     |            |           |           |            |       |  |
| Information Technology    | Cisco Network Switches                            |                      |  | 10     | 1,576     | 15,760         |            |           |           |           | 15,760     |            |           |           |            |       |  |
| Information Technology    | UPS Battery Backup                                |                      |  | 2      | 24,079    | 48,158         |            |           |           |           | 48,158     |            |           |           |            |       |  |
| Information Technology    | Cisco Secure Firewall 3105                        |                      |  | 1      | 45,144    | 45,144         |            |           |           |           | 45,144     |            |           |           |            |       |  |
| Information Technology    | Microsoft Licenses                                |                      |  | 1      | 95,000    | 95,000         |            |           |           |           | 95,000     |            |           |           |            |       |  |
| Information Technology    | Cisco Catalyst 9400 Switch-Server Room Core       |                      |  | 1      | 37,548    | 37,548         |            |           |           |           | 37,548     |            |           |           |            |       |  |
| Information Technology    | KnowBe4 Security Awareness Training Subscriptions |                      |  | 1      | 18,688    | 18,688         |            |           |           |           | 18,688     |            |           |           |            |       |  |
| Information Technology    | Solarwinds Cyber Security                         |                      |  | 1      | 48,965    | 48,965         |            |           |           |           | 48,965     |            |           |           |            |       |  |
| Information Technology    | Netwrix Security and Compliance                   |                      |  | 1      | 100,000   | 100,000        |            |           |           |           | 100,000    |            |           |           |            |       |  |
| Information Technology    | Cohesity                                          |                      |  | 1      | 100,000   | 100,000        |            |           |           |           | 100,000    |            |           |           |            |       |  |
| TOTAL                     |                                                   |                      |  | 1,193  |           | 1,094,361      | 584,334    | 288,302   | 127,760   |           | 1,000,398  | 49,965     | 22,000    | 22,000    |            |       |  |
| HOSPITAL ACUTE TOTAL      |                                                   |                      |  | 1,384  |           | 36,270,956     | 15,013,020 | 942,179   | 9,930,159 | 1,046,513 | 16,931,871 | 11,354,745 | 3,786,760 | 2,834,760 | 3,362,760  |       |  |

SAN BENITO HEALTH CARE DISTRICT  
CAPITAL EQUIPMENT FOR FISCAL YEAR ENDING JUNE 30, 2027

| DEPARTMENT                  | FACILITY/DESCRIPTION                                    | QTY   | UNIT      | AMOUNT     | EXTENDED  | 9/26      | 12/26      | 3/27      | 6/27 | TOTAL      | TOTAL | TOTAL      | TOTAL | TOTAL     | TOTAL | TOTAL     | TOTAL     |
|-----------------------------|---------------------------------------------------------|-------|-----------|------------|-----------|-----------|------------|-----------|------|------------|-------|------------|-------|-----------|-------|-----------|-----------|
| SNF                         |                                                         |       |           |            |           |           |            |           |      |            |       |            |       |           |       |           |           |
| Plant Operations            | Northside Dietary Swamp Cooler Replacement              | 2     | 40,000    | 80,000     | 40,000    | 40,000    | 40,000     |           |      | 80,000     |       |            |       |           |       |           |           |
| Plant Operations            | Cooling Towers & Chillers                               | 1     | 3,000,000 | 3,000,000  |           | 1,500,000 | 1,500,000  |           |      | 3,000,000  |       | 1,500,000  |       |           |       |           |           |
| Plant Operations            | Air Handler System in conjunction with the OR Remodel * | 1     | 1,500,000 | 1,500,000  |           |           |            |           |      |            |       |            |       |           |       |           |           |
| Plant Operations            | Northside Remove and Replace Generator                  | 1     | 2,000,000 | 2,000,000  |           | 100,000   | 200,000    | 300,000   |      | 600,000    |       | 1,400,000  |       |           |       |           |           |
| Plant Operations            | TOTAL                                                   | 5     |           | 6,580,000  | 40,000    | 1,640,000 | 1,700,000  | 300,000   |      | 3,680,000  |       | 2,900,000  |       |           |       |           |           |
| Northside/Southside Nursing | Accora Empresa Floor Beds-Low Height Beds               | 10    | 2,500     | 25,000     | 12,500    | 12,500    |            |           |      | 25,000     |       |            |       |           |       |           |           |
| Northside/Southside Nursing | Portable Vita Scan LT Bladder Scanner                   | 1     | 15,000    | 15,000     |           | 15,000    |            |           |      | 15,000     |       |            |       |           |       |           |           |
| Northside/Southside Nursing | Arjo Maxi Move 5 Hoyer Patient Chair Lift               | 3     | 8,000     | 24,000     | 8,000     | 8,000     | 8,000      |           |      | 24,000     |       |            |       |           |       |           |           |
| Northside/Southside Nursing | Arjo Sara Flex Powered Sit-to-Stand Patient Chair Lift  | 3     | 6,000     | 18,000     | 6,000     | 6,000     | 6,000      |           |      | 18,000     |       |            |       |           |       |           |           |
| Northside/Southside Nursing | GE Careescape VC150 Portable Vital Sign Stations        | 5     | 5,600     | 28,000     | 11,200    | 5,600     | 11,200     |           |      | 28,000     |       |            |       |           |       |           |           |
| Northside/Southside Nursing | TOTAL                                                   | 22    |           | 110,000    | 37,700    | 47,100    | 25,200     |           |      | 110,000    |       |            |       |           |       |           |           |
| SNF TOTAL                   |                                                         |       |           |            |           |           |            |           |      |            |       |            |       |           |       |           |           |
|                             |                                                         | 27    |           | 6,690,000  | 77,700    | 1,687,100 | 1,725,200  | 300,000   |      | 3,790,000  |       | 2,900,000  |       |           |       |           |           |
| DISTRICT TOTAL              |                                                         |       |           |            |           |           |            |           |      |            |       |            |       |           |       |           |           |
|                             |                                                         | 1,411 |           | 44,960,968 | 5,060,720 | 2,829,279 | 11,655,359 | 1,348,513 |      | 20,721,871 |       | 14,254,745 |       | 3,788,760 |       | 2,834,760 | 3,362,760 |

July 14, 2026

**Hazell Hawkins Memorial Hospital**  
**91 Sunset Dr**  
**Hollister, CA, 95023**

Attn: **Tim Von Urff**

**RE: Hazell Hawkins- MTCAP**

Dear **Hazell Hawkins Associates.**

RDL Construction Inc. is pleased to submit our Budget Proposal for the work planned at **911 Sunset Dr.** in **Hollister, CA.** We have based our pricing per the **Hazell Hawkins Memorial Hospital Testing for MTCAP.** drawings prepared by **Chuang-Ming-Liu with Treanor** structural engineering, and MEP engineering dated **12/22/25** and subsequent efforts to clarify scope of work outside the drawings, including one **Job walk on 7/1/26** and an **RFI #1 on 6/26/26.**

Based on our understanding of the project's scope and material lead-times available, we expect completion of the work should be achievable in approximately **3 weeks.** Schedule is based on no significant weather or material delays or phasing of the work.

We hope this information assists you with the selection of RDL Construction for this **Hazell Hawkins Hospital MTCAP** ,and we look forward to the opportunity to assist you with additional projects in the future.

**I. Inclusions and Pricing:**

- **Contractors General Requirements Including:**
  - Supervision & Daily clean-up
  - Safety and first aid supplies
  - Small tools & equipment
  - Superintendent Truck, Cell Phone & Computer
  - Temporary enclosures to isolate work areas
  - Cover and protect registers and fire alarm devices
  - Temp. toilets
  - Final clean up
  - *No jobsite trailer included. Assumed that GC will be provided space within the existing building to use as a construction office.*
- **Demolition:**
  - Demo walls and ceilings per plans at mandatory sample locations noted in red.
- **Rough Carpentry:**
  - Remove and replace 16- 4x8x1/2" CDX plywood
  - Remove and replace 2 roof rafters for access
- **Roofing:**
  - Demo existing roof membrane down to wood deck, layout of demo to be completed by the GC.
  - Patch back roofing with Tremco products to keep existing warranty in place.
- **Metal Stud Framing & Drywall:**
  - All work is figured on straight time in a standard construction sequence M-F
  - Pricing is based on Treanor drawings dated 10/31/25
  - Patch/refinish drywall on wall & ceilings after exploration
  - Match existing finish

- Equipment for our work
- Stock & scrap
- **T-Bar Ceiling:**
  - Patch and repair glued on tile at test locations
  - Normal business hours only
  - ACT-1 Armstrong Fine Fissured 1'x1' glue up tile – attached directly to existing substrate
  - Patch and repair approx. 183 SF of the existing ACT-1 ceiling system listed above –NEW TILE USED WILL NOT MATCH EXISITING – EXISITNG TILE DISCONTINUED
- **Painting:**
  - Paint areas affected by construction
  - Touch up to be corner to corner
- **Fire Alarm:**
  - Not included. FA scope carried by Owner.

**Total Lump Sum Cost: \$ 164,436.00**

## **II. Changes in Work:**

Any additional or changed work from the specific inclusions described above can be added to the Lump Sum contract via approved Prime Change Orders. RDL labor costs, general requirement costs, overhead & profit, and insurance costs will be included in each Prime Change Order per the following:

- Overhead and Profit included at 10% of RDL and subcontractor costs.
- General Requirements included at 5% of RDL and subcontractor costs. If specific General Requirements are to be necessary beyond the standard 5%, specific costs will be identified separately on a case-by-case basis.
- General Liability Insurance included at 1.5% of total change order costs.
- RDL Labor Rates:

|                        | <u>Hourly Rate</u> |
|------------------------|--------------------|
| Project Executive      | \$ 160.00          |
| Project Manager        | \$ 150.00          |
| Estimator              | \$ 150.00          |
| Assistant PM           | \$ 115.00          |
| Project Engineer       | \$ 95.00           |
| General Superintendent | \$ 140.00          |
| Superintendent         | \$ 135.00          |
| Safety Officer         | \$ 115.00          |
| Carpenter Foreman      | \$ 105.00          |
| Laborer Foreman        | \$ 95.00           |
| Laborer                | \$ 85.00           |
| Project Admin          | \$ 85.00           |
| Project Accountant     | \$ 105.00          |

**III. Alternates adds and deducts:** See Bid Form for proposed and included Alternates.

1. Add for secondary sample location. ADD \$ 204,152.00

**IV. RDL Project Team:**

|                        |                 |
|------------------------|-----------------|
| Project Executive      | Rick Leisinger  |
| Project Manager        | TBD             |
| Estimator              | Ryan Murphy     |
| Assistant PM           | TBD             |
| Project Engineer       | Devin Leisinger |
| General Superintendent | TBD             |
| Superintendent         | TBD             |
| Safety Officer         | TBD             |
| Carpenter Foreman      | TBD             |
| Laborer Foreman        | TBD             |
| Laborer                | TBD             |
| Project Admin          | TBD             |
| Project Accountant     | Patty Kocher    |

**V. Project Schedule**

Approximately 2-3 weeks of Construction.

**VI. Qualifications:**

- This bid is based upon drawings by **Chuang-Ming- Liu, Treanor Design** dated 12/22/25 supplied for pricing. We are not responsible for any omissions, inadequacies, or discrepancies in these plans which may affect the cost of construction or our contract.
- Many materials continue to see cost escalations on a weekly or monthly basis. We have striven to include any known escalations in the base bid, but not everything will be known at this time. RDL reserves the right to re-price materials at time of contract award if such time extends beyond two weeks of this bid proposal.
- Environmental Management Programs are not included.
- MBE, DVE, WBE DVBE or any disadvantage Goals are not included.
- Liquidated Damages are not included.
- Permits and permit fees are not included. Any fees paid by RDL will be treated as a reimbursable expense via Prime Change Order.
- Fire Alarm Systems are not included, unless specifically included above.
- Survey fees are not included.
- Soils testing and reports are excluded.
- Any shoring is hereby excluded.
- Engineering for shoring is excluded.
- Polished concrete is excluded.
- Sufficient construction parking on-site must be provided to RDL & Subcontractors at no additional cost.
- No jobsite trailer included. It is assumed that RDL will be provided with space within the existing building to use as a construction office.
- Project Electrical and Water usage is to be provided at no cost from the existing building utilities.
- Project supervision and project management costs are based on a **3 weeks** construction schedule. Any extension of this schedule at no fault of RDL may lead to additional costs.
- Special Inspection costs are not included.
- Hazardous material handling, testing, or abatement is excluded, including but not limited to Asbestos and lead.
- Bid based on a mutually acceptable contract and schedule.

- Excludes any window coverings.
- Excludes all branding signage.
- Pricing is good for **30 days** from the date of this proposal, unless specified otherwise above.
- Any work outside of what is specifically included above is excluded.

RDL Construction Inc. wishes to thank you for the opportunity to participate on this project. If you have any questions or need additional information on this proposal, please do not hesitate to call or email.

Sincerely,



Ryan Murphy  
RDL Construction Inc.  
[rmurphy@rdlconstruction.com](mailto:rmurphy@rdlconstruction.com)  
(408) 316-9709

| #                          | CSI                                    | Description                                  | Progress Budget | Notes     |
|----------------------------|----------------------------------------|----------------------------------------------|-----------------|-----------|
| 1                          | 01500                                  | Pre-Construction Administration & Management | \$ 4,140        |           |
| 2                          | 01500                                  | General Requirements                         | \$ 21,078       |           |
| 3                          | 01600                                  | Construction Staking / Survey (Allowance)    | \$ -            |           |
| 4                          | 01800                                  | Final Clean-Up                               | \$ -            |           |
| 5                          | 02100                                  | Demolition                                   | \$ 10,252       |           |
| 6                          | 02150                                  | Landscaping & Irrigation                     | \$ -            |           |
| 7                          | 02700                                  | Grading, Paving & Site Utilities             | \$ -            |           |
| 8                          | 02700                                  | Underground Utilities                        | \$ -            |           |
| 9                          | 02800                                  | Site Concrete                                | \$ -            |           |
| 10                         | 02900                                  | Striping & Signs                             | \$ -            |           |
| 11                         | 03300                                  | Structural Concrete                          | \$ -            |           |
| 12                         | 04200                                  | Masonry                                      | \$ -            |           |
| 13                         | 05100                                  | Structural Steel & Misc Metals               | \$ -            |           |
| 14                         | 06200                                  | Rough Carpentry                              | \$ 13,133       |           |
| 15                         | 06400                                  | Millwork & Stone Counters (Allowance)        | \$ -            |           |
| 16                         | 07200                                  | Insulation                                   | \$ -            |           |
| 17                         | 07400                                  | Roofing                                      | \$ 17,768       |           |
| 18                         | 07600                                  | Architectural Sheet Metal                    | \$ -            |           |
| 19                         | 08100                                  | Doors, Frames & Hardware                     | \$ -            |           |
| 20                         | 08300                                  | Roll-Up Doors                                | \$ -            |           |
| 21                         | 08800                                  | Glass & Glazing                              | \$ -            |           |
| 22                         | 09100                                  | Metal Stud Framing & Drywall                 | \$ 34,850       |           |
| 23                         | 09200                                  | Plaster Finish                               | \$ -            |           |
| 24                         | 09300                                  | Ceramic Tile                                 | \$ -            |           |
| 25                         | 09600                                  | Acoustical Ceilings                          | \$ 13,967       |           |
| 26                         | 09600                                  | Floor Covering                               | \$ -            |           |
| 27                         | 09900                                  | Painting                                     | \$ 7,589        |           |
| 28                         | 10400                                  | ACM Panels                                   | \$ -            |           |
| 29                         | 10520                                  | Specialties & Accessories                    | \$ -            |           |
| 30                         | 11030                                  | FE's & Cabinets                              | \$ -            |           |
| 31                         | 15300                                  | Fire Sprinklers                              | \$ -            | NIC       |
| 32                         | 15200                                  | Plumbing                                     | \$ -            | NIC       |
| 33                         | 15400                                  | HVAC                                         | \$ -            | NIC       |
| 34                         | 16000                                  | Electrical                                   | \$ -            | NIC       |
| 35                         | 16400                                  | Fire Alarm                                   | \$ -            | NIC       |
| 36                         |                                        |                                              | \$ -            |           |
| 37                         |                                        |                                              | \$ -            |           |
| 38                         |                                        |                                              | \$ -            |           |
| 39                         |                                        |                                              | \$ -            |           |
| 40                         |                                        |                                              | \$ -            |           |
| Accepted Allowances        |                                        |                                              |                 |           |
|                            |                                        |                                              |                 |           |
|                            |                                        |                                              |                 |           |
|                            |                                        |                                              |                 |           |
| Subtotal Construction Cost |                                        |                                              | \$ 122,777      |           |
| 1                          | Project Management / Field Supervision |                                              | \$ 27,540       |           |
| 2                          | Special Inspection                     |                                              | NIC             |           |
| 3                          | Soil Testing/Analytics                 |                                              | NIC             |           |
| 4                          | Permit & City Fees (allowance)         |                                              | \$ -            |           |
| 5                          | Suggested Construction Contingency     |                                              | 0.00%           | \$ -      |
| 6                          | General Liability Insurance            |                                              | 1.50%           | \$ 1,842  |
| 7                          | Overhead / Profit                      |                                              | 10.00%          | \$ 12,278 |
| Total Project Cost         |                                        |                                              | \$ 164,436      |           |

ALTERNATES

|   |                             |            |
|---|-----------------------------|------------|
| 1 | Add for Secondary Locations | \$ 204,152 |
| 2 |                             |            |
| 3 |                             |            |