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INDEPENDENT REVIEW OF HAZEL HAWKINS HOSPITAL CONCLUDES WITH HIGH MARKS FOR PATIENT OUTCOMES: SENIOR LEADERSHIP

Court Ordered Ombudsman's Report To Be Discussed at October SBHCD Board Meeting

October 17, 2023 – Hollister, Calif. – Concluding a weeks-long inspection of Hazel Hawkins Memorial Hospital (HHMH), Jerry Seelig, the Patient Care Ombudsman (PCO) appointed by the bankruptcy court overseeing the Chapter 9 filing by HHMH, filed his first report with the court this month. The report, which details every facet of HHMH operations and the San Benito Health Care District (District), concludes that patient care, hospital operations, SNF, patient records and other essential operations of the District are in good working order. In the executive summary, Mr. Seelig found no compromise in patient care since the bankruptcy filing.

Leadership at HHMH Performing at a High Level

The PCO met with hospital leadership, staff, nurses and physicians as part of his extensive review. The results speak for themselves: The PCO states that "the Interim CEO and Chief Responsible Officer [Mary Casillas] is qualified and an experienced professional." The report goes on to say that "the Hospital Board and key community parties of interest requested that she take on this role due to her extensive knowledge of the hospital and her professional expertise." The report also outlined the fact that "the Chief Financial Officer, The Director of Provider Services & Clinic Operations, the SNF operations director, Medical Director, Emergency Department ("ED" or "ER") Director and other key leaders have been at [HHMH] for no less than 15 years; and believe based on interviews and materials review that they bring to the Debtor both the required knowledge of the Managing Entity and/or their operating unit/department's operations and strong professional credentials."

Patient Care Continues to Excel At Hazel Hawkins

With patient care being the priority for the District and HHMH, it was reassuring that the independent review of the operations assessed that the "Hospital is providing high quality patient care and safety with staff and leadership exhibiting a strong commitment to provide cost efficient and effective care." This is testament to the level of care and attention to our front line workers, nurses and physicians who are dedicated to providing the highest level of care for the local community.

Financial Factors Facing the District Listed as Potential Threat

In the report, the PCO listed several factors that could impact patient care quality, chief among them is the financial situation currently facing the hospital. Secondarily, the PCO listed community involvement and support (being able to remain active with the local community to raise funds), implementation of a viable quality assurance program and the appropriate and safe sharing of patient information.

According to the report, "the factors that lead to bankruptcy are a concern. Two key factors leading to Debtor's lack of liquidity include the District's limited access to working capital which presents significant challenges when addressing short-term fluctuations in cash flow coupled with the District's significant and unanticipated decrease in revenue and a concurrent increase in expenses that rapidly eroded the District's

limited working Capital." Both can negatively impact patient care by affecting the Debtor's ability to obtain supplies and adequate staffing. Accordingly, these factors are a component in the PCO's ongoing monitoring and reporting efforts. Even so, the PCO went on to say "We believe that the Debtor will engage in a strong remediation effort, which will be monitored by the PCO and reported to the Court in a timely manner."

The full report will be shared during the District's October 26 Board meeting as part of the CEO's report.

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About Hazel Hawkins Memorial Hospital

Hazel Hawkins Memorial Hospital is a full-service, public agency hospital delivering modern medicine and compassionate care to the growing San Benito County community. HHMH offers hundreds of health services across multiple locations, including top-tier specialists, a modern Emergency Department, and a state-of-the-art Women's Center. To learn more about Hazel Hawkins Memorial Hospital and the Hazel Hawkins Hospital Foundation, please visit www.hazelhawkins.com.