

REGULAR MEETING OF THE BOARD OF DIRECTORS SAN BENITO HEALTH CARE DISTRICT 911 SUNSET DRIVE, HOLLISTER, CALIFORNIA THURSDAY, DECEMBER 19, 2024 – 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 <u>https://zoom.us/join</u> 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

2. <u>Introduction of Newly-Elected & Re-Elected Board Members</u> Victoria Angelo, Dr. Nick Gabriel, and Bill Johnson.

3. <u>Election of the President of the Board & Board Officers (Two-Year Term)</u> (Counsel) Nominations for President, Vice President, Treasurer, Secretary, and Assistant Secretary

- Close Nominations
- Public Comment
- Motion/Second
- Roll Call Vote

4. Board Announcements

5. 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, 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 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.

Presented By:

(Johnson)

(Johnson)

(Johnson)

Regular Meeting of the Board of Directors, December 19, 2024

6. <u>Consent Agenda – General Business</u> (pgs. 1-61)

(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. Consider and Approve Minutes of the Regular Meeting of the Board of Directors November 21, 2024.
- B. Receive Officer/Director Written Reports
 - Physician Services & Clinic Operations
 - Skilled Nursing Facilities (Mabie Southside/Northside)
 - Laboratory and Radiology
 - Foundation
 - Marketing
 - PMO Project Summary
- C. Consider and Approve Policies:
 - Physician Notification, Delinquency, and Suspension
 - Code Blue Resuscitation Adults
 - Performance Development and Evaluation
 - Solicitation
 - Identification Badges
 - Workplace Violence Prevention Program
 - Subpoena and Legal Document Processing
- D. Consider and Approve Resolution No. 2024-12 Fixing the Times and Dates of the Regular Meetings of the San Benito Health Care District Board from February 27, 2025 January 22, 2026.
- E. Consider and Approve Resolution No. 2024-13 Amending The Conflict of Interest Code

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

- Report
- Board Questions
- Motion/Second
- ► Action/Board Vote-Roll Call

7. Receive Informational Reports (pgs. 62-63)

- A. Chief Executive Officer (Verbal report will be provided)
 - Transaction Update
 - Turnover Dashboard
 - Staff Engagement
 - Public Comment

B. Chief Nursing Officer (Verbal report will be provided)

- Recruitment
- FLU/RSV
- Public Comment

(Descent)

(Casillas)

- C. Facilities Committee December 16, 2024 (pgs. 64-65) (Robinson)
 - Current Projects
 - Pending Projects
 - Master Plan SPC-4d
 - Public Comment

D. Finance Committee – December 16, 2024 (pgs. 66-120) (Robinson)

- Financial Statements November 2024
- Finance Dashboard November 2024
- Supplemental Payments November 2024
- Audited Financial Statements FYE June 30, 2024 Presentation (Rick Jackson)
- Public Comment

8. Action Items:

A. Consider and Approve Board Member Appointments to a Temporary Advisory Committee Regarding Transaction with Insight.

Recommended Action: Approve Board Member Appointments to a Temporary Advisory Committee Regarding Transaction with Insight.

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

9. Public Comment

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

10. Closed Session

See the Attached Closed Session Sheet Information.

11. Adjournment

The next Regular Meeting of the Board of Directors is scheduled for Thursday, January 23, 2025, at 5:00 p.m., Great Room.

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

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

(Johnson)

(Johnson))

(Johnson)

Regular Meeting of the Board of Directors, December 19, 2024

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 is available on a first come first serve basis.

SAN BENITO HEALTH CARE DISTRICT BOARD OF DIRECTORS December 19, 2024

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

□ <u>LICENSE/PERMIT DETERMINATION</u>

(Government Code §54956.7)

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

- CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code §54956.8)
- CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION (Government Code §54956.9(d)(1))

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers):

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations):

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

(Government Code §54956.9)

□ <u>LIABILITY CLAIMS</u>

(Government Code §54956.95)

Claimant: (Specify name unless unspecified pursuant to Section 54961): Agency claimed against: (Specify name): _______.

Image: Thread 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: Chief Executive Officer

<u>PUBLIC EMPLOYMENT</u>

(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.)

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CONFERENCE WITH LABOR NEGOTIATOR

(Government Code §54957.6)

Agency designated representative: Drew Tartala, Human Resources Director **Employee organization**: Unrepresented employee: Chief Executive Officer

CASE REVIEW/PLANNING

(Government Code §54957.8) (No additional information is required to consider case review or planning.)

\square **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):

\boxtimes **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 audit committee, or report of quality assurance committee):

1. Report – Quality of Care/Peer Review/Credentials

\Box **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



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

THURSDAY, NOVEMBER 21, 2024 5:00 P.M. <u>MINUTES</u>

HAZEL HAWKINS MEMORIAL HOSPITAL

Directors Present

Jeri Hernandez, Board Member Bill Johnson, Board Member Josie Sanchez, Board Member Rick Shelton, Board Member Devon Pack, Board Member (via tele-conference)

Also Present

Mary Casillas, Chief Executive Officer Mark Robinson, Chief Financial Officer Michael Bogey, MD, Chief of Staff Heidi A. Quinn, District Legal Counsel Suzie Mays, Director of Project Management & Policies/Procedures

1. Call to Order

Attendance was taken by roll call. Directors Hernandez, Johnson, Shelton, and Sanchez were present, and Director Pack was present via teleconference.

A quorum was present and Director Hernandez, called the meeting to order at 5:00 p.m.

2. Public Comment

The closed session topics were open for comment, and individuals were given three minutes to address the Board and Administration.

3. Closed Session

The members of the board entered into a closed session at 5:29 p.m.

4. <u>Closed Session Report from October 24, 2024, and November 21, 2024</u> The members of the board reconvened to open the session at 6:40 p.m.

Counsel stated that at the October 24, 2024, meeting, there were technical difficulties and there was no ability to provide the report online, and no one physically present, so the closed session report from that

meeting would be provided. Counsel noted three items were discussed: 1) Conference with Legal Counsel-Existing Litigation (bankruptcy litigation), 2) Public Employee Performance Evaluation (CEO), and 3) Hearing/Reports under Evidence Code sections 1156 and 1157.7.

As to the litigation item, a report was provided to the Board, but no reportable action was taken. As to the labor negotiations, direction was provided to staff and the Ad Hoc Committee comprised of President Hernandez and Director Sanchez. No reportable action was taken.

As to the last item, this matter is confidential and there is no disclosable report.

On November 21, three items were discussed: 1) Public Employee Appointment (CEO), 2) Public Employee Performance Evaluation (CEO), and 3) Conference with Labor Negotiator (CEO). As to all three items, a report was provided to the Board, there was discussion, but there was no reportable action taken.

5. Board Announcements

CEO Mary Casillas presented Director Hernandez and Director Shelton with a parting gift and thanked them for their commitment and dedication to the Board during their service.

6. Public Comment

An opportunity for public comment was provided, and individuals were given three minutes to address the Board Members and Administration.

7. Consent Agenda - General Business

- A. Consider and Approve Minutes of the Regular Meeting of the Board of Directors October 24, 2024.
- B. Receive Officer/Director Written Reports No action required.
 - Provider Services & Clinic Operations
 - Skilled Nursing Facilities Reports (Mabie Southside/Northside)
 - Laboratory and Radiology
 - Foundation Report
 - Public Relations
 - PMO Project Summary Report

Director Hernandez presented the consent agenda items to the Board for action. This information is included in the Board packet.

MOTION: By Director Sanchez to approve Consent Agenda – General Business, Items A - B, as presented; Second by Director Shelton.

Moved/Seconded/ Carried. Ayes: Directors Hernandez, Johnson, Shelton, Sanchez, Pack. Approved 5-0 by roll call.

8. Medical Executive Committee Meeting

A. Consider and Approve Medical Executive Committee Staff Credentials Report:

Dr. Bogey, Chief of Staff, provided a review of the Medical Executive Committee Credentials Report dated November 20, 2024.

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

MOTION: By Director Hernandez to approve the Medical Executive Committee Staff Credentials Reports as presented; Second by Director Johnson.

Moved/Seconded/ Carried: Ayes: Directors Hernandez, Johnson, Shelton, Sanchez, Pack. Approved 5-0 by roll call.

9. Receive Informational Reports

A. Chief Executive Officer

Mary Casillas provided a verbal CEO report, and a handout report of days of cash on hand at 35 health systems, which is provided in the Board packet.

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

B. Finance Committee

- 1. Review Financial Updates October 2024
 - Financial Statements
 - Finance Dashboard
 - Supplemental Payments
 - GASB 68 Disclosure Report FY 06/30/24

Mr. Robinson reviewed the financial statements, dashboard, and supplemental payments. Reports are included in the Board packet.

An opportunity was provided for public comment, and no public comment was received.

10. Action Items

A. Consider and Approve the Agreement with the Chief Executive Officer, Mary Casillas.

An opportunity was provided for public comment, and public comment was received.

MOTION: By Director Hernandez to approve an agreement for a 3 year extended term, a 3% COLA, and 10% incentive, with the incentive (Exhibit B) to go to the Board for review in December and approval no later than January 2025; Second by Director Sanchez.

Moved/Seconded/ Carried: Ayes: Directors Hernandez, Shelton, Sanchez, and Pack. Nay: Johnson. Approved 4-1 by roll call.

11. Adjournment:

There being no further regular business or actions, the meeting was adjourned at 7:33 p.m. The next Regular Meeting of the Board of Directors is scheduled for Thursday, December 16, 2024, at 5:00 p.m.



To:San Benito Health Care District Board of DirectorsFrom:Amy Breen-Lema, Vice President, Clinic, Ambulatory & Physician ServicesDate:December 9, 2024Re:All Clinics – November 2024

Rural Health and Specialty Clinics' visit volumes

Clinic Location	Total visits
Orthopedic Specialty	355
Multi-Specialty	589
Sunset	793
Primary Care & Surgery	253
San Juan Bautista	235
Ist Street	506
4th Street	997
Barragan	443
Total	4,171

- Provider recruitment activities with anticipated start dates by specialty:
 - Synecology/Oncology: Dr. James Lilja First quarter 2025
 - Endocrinology: Dr. Maria Arambulo Extended her assignment until April 4, 2025
- As 2024 comes to an end, we want to extend sincere gratitude & appreciation to the clinic staff, physicians, physician assistants, and nurse practitioners for the compassionate care provided to our patients. Your talent, commitment to the community, and dedication to excellence in care is remarkable!



To: San Benito Health Care District Board of Directors

From: Dee Cross, RN, MLS, Interim Director of Nursing, Skilled Nursing Facility

1. Census Statistics: November 2024

Southside	2024	Northside	2024 5	
Total Number of Admissions	14	Total Number of Admissions		
Number of Transfers from HHH	14	Number of Transfers from HHH	3	
Number of Transfers to HHH	3	Number of Transfers to HHH	1	
Number of Deaths	1	Number of Deaths	0	
Number of Discharges	10	Number of Discharges	0	
Total Discharges	11	Total Discharges	0	
Total Census Days	1268	Total Census Days	1293	

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

2. Total Admissions: November 2024

Southside	From	Payor	Northside	From	Payor
12	ННМН	Medicare	1	HHMH (RE- ADMIT)	CCA
1	HHMH/Obs.	CCA	2	ННМН	Medicare
1	HHMH/ Re-Admit	Medicare	1	Home	CCA
			1	Herman Health Care	Medi-Cal

Total: 14

Total:

3. Total Discharges by Payor: November 2024

Southside	2024	Northside	2024
Medicare	7	Medicare	0
Medicare MC	0	Medicare MC	0
ССА	3	CCA	0
Medical	0	Medical	0
Medi-Cal MC	0	Medi-Cal MC	0
Hospice	1	Hospice	0
Private (self-pay)	0	Private (self ay)	0
Insurance	0	Insurance	0

Total:	11	Total:	0

4. Total Patient Days by Payor: November 2024

Southside	2024	Northside	2024	
Aedicare 358 I		Medicare	26	
Medicare MC	0	Medicare MC	0	
CCA	808	CCA	1010	
Medical	30	Medical	195	
Medi-Cal MC	0	Medi-Cal MC	0	
Hospice	42	Hospice	30	
Private (self-pay)	0	Private (self-pay)	30	
nsurance	30	Insurance	0	
Bed Hold / LOA	6	Bed Hold / LOA	2	
Total:	1274	Total:	1293	
Average Daily Census	42.47	Average Daily Census	43.10	



- To: San Benito Health Care District Board of Directors
- From: Bernadette Enderez, Director of Diagnostic Services

Date: December 2024

Re: Laboratory and Diagnostic Imaging

Updates:

Laboratory

- 1. Quality Assurance/Performance Improvement Activities
 - Update on chemistry analyzer project → Analyzer installation completed. HCAI inspection expected this month. Assay validation to start 01/2025.
- 2. Laboratory Statistics

	November 2024	YTD
Total Outpatient Volume	3853	42896
Main Laboratory	1154	13044
HHH Employee Covid Testing	2	111
Mc Cray Lab	768	10238
Sunnyslope Lab	363	4430
SJB and 4 th Street	76	662
ER and ASC	1490	14411
Total Inpatient Volume	214	2724

Diagnostic Imaging

- 1. Service/Outreach
 - Ongoing preparation for new service offering- low dose lung cancer screening
- 2. Quality Assurance/Performance Improvement Activities
 - Diagnostic Imaging department space planning with Treanor in preparation of the multiple capital needs requiring HCAI approval.



3. Diagnostic Imaging Statistics

	November 2024	YTD
Radiology	1625	19090
Mammography	784	8017
СТ	972	10312
MRI	200	1987
Echocardiography	88	1184
Ultrasound	756	8457



- TO: San Benito Health Care District Board of Directors
- FROM: Liz Sparling, Foundation Director

DATE: December 2024

RE: Foundation Report

The Hazel Hawkins Hospital Foundation Board of Trustees met on December 12 for their Annual Meeting/Holiday Lunch.

Financial Report			November
1.	Income	\$	147,221.88
2. Expenses		\$	27,040.66
3.	New Donors		19
4.	Total Donations		161

Directors Report:

Our donors have been very supportive, especially over the past year. The Foundations current Campaign, "Invest in the Future of San Benito County Healthcare, We Deserve It" has raised \$1,134,943.00 (as of 12.11.24). There have been 1562 donations to this campaign.

The Foundation is pleased to announce the following allocations to the Hospital have been made in 2024:

- Chairs for the ER nurses station and chairs for guests in the ER patient rooms
- Provider chairs and facility improvements to the Barragan Diabetes Center including flooring and upgraded handicap entrance
- Window blinds for Med Surg/ICU patient rooms
- Jaundice Meter for OB Department
- Securitas Healthcare Hug Infant Protection System for the OB Department
- Upper Body Exerciser for Physical Therapy
- \$21,250 for Scholarships to students in the Medical Field
- Endoscopy Scope for the Ambulatory Surgery Center
- World Breastfeeding Day Prizes
- Patient room guest chairs for Med/Surg
- Ambulatory Surgery Center Room #1 Upgrade including cameras and scopes totaling over \$134,000
- Funds to support a new program, "Enhancing the End of Life Care at HHMH."
- TV for the Emergency Department waiting room
- Treadmill for the Physical Therapy Department
- Carter Kits and training for several hospital departments

Totaling Over: \$431,000

Page 1 of 2



Foundation Board Report Page 2

Nominating Committee: Outgoing Foundation Board Members and New Board Members

1. Three open positions on Board of Trustees as of 12/31/24

Terming Out: **Mary McCullough, Seth Muenzer** (and one seat currently not filled)

Recommendation by Committee: Jeri Hernandez, Kim Marquez and Kyle Sharp

2. Re-election of members with 12/31/24 1st term end date: Irene Davis, Irene Recht, Brynn Gho and Salina Chacon

Foundation Board Officers for 2025

Irene Davis – President Brynn Gho – Vice President, Irene Recht – Treasurer Salina Chacon – Secretary Ann Marie Barragan – Past President



Board of Director's Report December 2024

Marketing/Public Relations

MARKETING

• Social Media Posts

Wishing our Halloween-loving, Rockstar ER physician and Chief of Staff, Dr. Bogey, a very	Boost	Thu Dec 5, 3:41pm	1.2K
Consider giving the "Gift of Life" by donating blood. Our next Blood Drive takes place on	Boost	Thu Dec 5, 1:26pm	210
It's National Influenza Vaccination Week – a great time to remind you that a flu vaccine is	Boost	Thu Dec 5, 9:52am	180
Congratulations to our OB Team for making the California Health and Human Services A	Boost	Wed Dec 4, 2:25pm	1.4K
National Handwashing Awareness Week is December 1st-7th, but every day is a good da	Boost	Wed Dec 4, 1:49pm	201
Help tame flu's more serious symptoms if your child gets sick. National Influenza Vaccina	Boost	Tue Dec 3, 12:10pm	186
We are kicking off National Influenza Vaccination Week - December 2 - 6 Have you recei	Boost	Mon Dec 2, 12:40pm	168
In observance of the Thanksgiving Holiday, our holiday schedule for clinics and outpatie Photo · • Hazel Hawkins Hospital	Boost	Thu Nov 28, 10:00am	233
Wishing our Community a Happy Thanksgiving! We are thankful for our employees, phys Photo - Difference Hawkins Hospital	Boost	Thu Nov 28, 8:00am	342
In observance of the Thanksgiving Holiday, our holiday schedule for clinics and outpatie Photo Hazel Hawkins Hospital	Boost	Wed Nov 27, 10:00am	259
In observance of the Thanksgiving Holiday, our holiday schedule for clinics and outpatie 7 Photo Photo Hazel Hawkins Hospital	Boost	Tue Nov 26, 4:03pm	650
Holiday cheer was definitely in the air this morning! Every month our leadership team ro Photo • • Hazel Hawkins Hospital	Boost	Fri Nov 22, 1:17pm	988
Today we celebrate NATIONAL RURAL HEALTH DAY, www.hazelhawkins.com This observ	Boost	Thu Nov 21, 7:24pm	156
VOTERS APPROVE MEASURE X PAVING WAY FOR HAZEL HAWKINS HOSPITAL'S BRIGHT	Boost	Mon Nov 18, 3:33pm	357
We're so glad you are now home Al! We wish you all the best on your continued recover	Boost	Fri Nov 15, 12:30pm	928
SAVE THE DATE! Our \$5 jewelry and accessories sale is back. Come visit us on November	Boost	Wed Nov 13, 3:56pm	312



EMPLOYEE ENGAGEMENT

Employees:

- Hazel's Headlines
- Working on Holiday events with Employee Engagement Committee.
- Coordinated Pie Distribution to departments for Thanksgiving.

MEDIA

Public:

Working with Marcus Young from townKRYER PR agency on proactive PR.

- Press Releases:
 - Voters Approve Measure X Paving the Way for a Bright Future
 - SBHCD Outlines Next Steps for HHMH and Insight

COMMUNITY

Participating in San Benito Leadership Institute Alumni committee



PMO Project Summary Report

Date: 12/10/24

Summary of current and completed projects managed by the Project Management Office (PMO). This is a high-level overview of the PMO's activity, highlighting key initiatives and their outcomes.

Current Projects

Project Name	<u>Project</u> Description	<u>Start</u> Date	<u>Target</u> Completion Date	<u>Current Status</u>	Key Deliverables
1. Boiler Replacement	Replace existing boiler to enhance efficiency and reliability.	4	TBD	Waiting on support brackets for water lines.	Install new boiler.
2. Air Handler Unit (AHU)	Repair of AHU	Nov 2024	6 weeks – Jan 2025	Pending review with Eng PM and Traenor	Repair existing AHU
3. Radiology Master Plan		Nov 2025	TBD	Traenor to do site visit	Master plan for remodel & equipment replacement
4. Sterilizer Installation	Engineering to complete permit process and installation of new sterilizer to replace aging equipment.		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Site review completed Waiting on quotes for work to be done.	Installation of new sterilizer.
5. 2 nd Floor SSB Doors Installation	Engineering to complete permit process and installation of doors on 2 nd Floor of SSB.		TBD	Proposal sent – Authorized GC submitted to city	Installation of new doors – Support Serv Bldg 2 nd floor.
6. Lab Remodel	Remodel of LAB	6/3/24	TBD	12/9 IOR recommended reaching out to compliance officer to petition moving forward with validation process	12/6 QC onsite inspection



7. Seismic	Upgrade to meet HCAI seismic compliance and safety standards.			Approved signs installed Small rural hospital grant approved; Funding application process has been initiated.	Seismic retrograde
8. Hot Water Heater Install	Emergency install of hot water heater	9/2024	2024	Installed, waiting on approval of paperwork submitted	Installation of hot water heater
9. HH OR Status			TBD (Proposal submitted Work must be complete in 2025 .)	11/25 Looking to loop in Dr. Dedini for input on renovation plans/needs	11/25 Sent Stryker facility plans & detailed schematics
10. Access eForms/Passport	A web-based forms solution to remove all paper from forms processes— making them completely electronic from start to finish.	4/29/24	1/16/25	12/9 clinic staff training in progress and testing for mass push to entire facility	11/22 New Prod eSig installed
11. Hicuity	Remote Telemetry	8/8/24	12/18/24	12/9 Hicuity & Ceiba trouble issues with the VPN tunnel.	12/4 end-to-end testing session completed with HHMH
12. BD Anti- Diversion	Implement pharmacy diversion software across all.	2/9/24	1/6/25	12/6 Admin Data and training scheduled for Friday 1/3	11/25 BD onsite to program new Pyxis machines to be ready for Anti-Diversion Software.



13. Bepoz	Add employees and employee numbers to Bepoz to allow for charging and payroll deduction of café charges.	6/3/24	TBD	Meditech to put RFID # for export to UKG. IT building security	12/3 Kickoff Call with BEPOZ new implementation team. Ordering RFID badge reader for cafeteria and sent sample badges to be programmed
14. EHR Project	Identify and demo EHR systems.	2/14/24	TBD	2 nd phase initiated for Expanse – Clinical and Financial call completed. Waiting on final quote.	Finalized quote
15. Promoting Interoperability	Meet measures and successfully attest to CMS regulations.	1/5/24		Waiver will be filed as vendor will not be ready by 10/1/24	Attest and report
16. National Graphics	Implement new forms vendor	8/9/24	Ongoing	12/9 Work continues with National Graphics, including website development and adding forms to the inventory.	Vendor to build website for orders.
17. Securitas/Hugs	Enterprise-wide protection to infant and pediatric patients of all ages, including well newborns.	5/28/24	TBD	12/9 upgrading wireless infrastructure and change order approval pending HCAI submittal Wireless upgrade needed to be presented at Jan board	12/4 HCAI file has been created for this project



18. Trakstar – (HR performance review software)	Allow HR to track their employee's and director's job performance consistently and accurately as well as manage their feedback, goals, and reviews.	9/4/24		11/26 IT completed SFTP server requirements and working on cleaning up department categories	11/26 Human Resources custom reports/CSV files for import have been established
19. RightHear	RightHear provides talking signage, so everyone can interpret and understand their surroundings in real time.	10/28/24	TBD	12/16 2 nd mapping session scheduled > will meet with IT/Engineering to address any security issues and mapping is correct	11/25 1 st mapping session completed for half of the beacon devices
20. Inovalon	Scheduling & Shift Management Software Real-time scheduling updates and enable staff to view schedules online, request time off, swap shifts, and more.		3/1/25	12/13 Configuration spreadsheet – to complete: People & Start Shifts	12/6 Kickoff Presentation: Reviewed background and scope
21. BD Pyxis Machine Installation	Install larger Pyxis in ICU. Current one will go to OB Surg. Install new in PACU and outside OR. Returning Anesthesia units.	11/24	TBD (Pending HCAI)	12/4 Started internal stakeholder and team member meetings to develop timeline for install.	11/25 New units delivered. BD team completed programming of new units.



Completed Projects - FY 7.1.24 - 6.30.25

<u>Project</u> <u>Name</u>	Project Description	<u>Start Date</u>	<u>Completion</u> Date	Key Achievements
ER Chiller	Rebuild ER Chiller		Completed	Rebuild is complete
Annex MD Office Compressor	Replace compressor equipment at Annex MD Office.		7/1/24 Completed	Replacement of Compressor completed 07/01/24 w/ Commercial Air
JLT	Installation of GFCI outlets in OR1 and L/D,	July 2024	Completed	07/20/24 – GFCI install within OR and LD areas scheduled.
OR Suite #1 (ASC)	Compressor repair		7/12/23 Completed	RTU 5 coil and compressor repair scheduled 07/12/24.
Kitchen Floor Epoxy	Refresh paint and epoxy floor in hospital kitchen/café.	June 2024	July 2024	07/08/24 - Painting project initiated; Epoxy floor painting in process
Contract Mgmt	Contract management repository	5/6/24	6/30/24 - Completed	Purchasing staff is entering contracts
MD Staff	MD-Staff is a credentialing system	3/18/24	20-30 Weeks - Completed	Test Conversion Scheduled for 6/12/24 – Install completed
ER door glass–WC Window replacement	Replace glass door in ER and window in Women's Center.		7/1/24 Completed	Replace glass doors
<u>1</u>	Inactivate OR inventory items	7/9/24	10/8/24 completed	
Green Security Vendor Credentialing	Credentialing and background of ALL non- employees.	2/29/24	9/17/24- Completed	Ongoing meetings about new phase of hardware install
Verizon Cell Phone Upgrades	Upgrading old cell phones while saving money on total cost of phone bill.	9/4/24	11/27/24 Completed	Will start serial #'s process to receive potential credit \$ back for the phones



Install smoke detectors in OB	Completed 12/6/24	Sign off received
Replace RIU compressor	Completed	System in and working good.



10677 2 Official Medical Records Medical Records

Procedure : Policy and Procedure for Physician Notification, Delinquency, and Suspension

Differences between version $\frac{2}{2}$ and 3.

RESPONSIBILITY

Health Information Technician Management Department "HIM", Medical Staff Office, and Chief of Staff

PURPOSE

To ensure that timely and accurate completion of medical records are completed according to the Hazel Hawkins Memorial Hospital Medical Staff By-Laws, Rules , and Regulations, State of California Title 22, and The Joint Commission , supporting quality patient care, regulatory compliance, and efficient revenue cycle processes .

PROCEDURE

Phone calls are made to physicians notifying physicians <u>A list</u> of incomplete charts during the <u>will</u> <u>be ran weekly for both inpatients and outpatients by the HIM department. All</u> <u>providers that have incomplete charts will receive a first notice from the Health</u> <u>Information Management Department, and have one</u> week <u>to complete their charts</u>

Every Tuesday, a list of charts is run. All doctors that have charts over 14 days will get a call or email that they have incomplete charts. They will have till Friday Providers who fail to complete these their delinquent records . within that week will be notified according to the following timeline:

- If the charts have not been completed by that Friday, of the same week, they will be suspended.re 14 days or older, a second letter will go to the physicians informing them that they must complete by that Friday of the same week or they will be suspended. First Notice (Delinquency Notice Day 7) Physicians should complete all work before leaving for Extended Leave and or vacation. During that time, once Medical Records is notified, days are not accumulated. Suspension Process: :
 - If the records are not done by Friday, by noon, a letter will go the physician informing him/her that they will be put on suspension. Responsible Party: Health Information Management (HIM) Department

This information will be communicated to the Chief of Staff as well as sign off on that suspension
 Content of Notice: A reminder notice will be sent to the provider detailing outstanding medical records and the requirement to complete them within the next 7 days to avoid escalation .

• The

Second Notice (Day 14):

- <u>Responsible Party</u>: <u>Department Chair or Chief of Staff</u>
- <u>Content of Notice</u>: <u>A formal warning notice will be sent, reinforcing the</u> requirement for immediate record completion. This notice will outline the risk of suspension if the delinquent records are not completed within 7 days of this notice.

Third Notice / Suspension (Day 21):

- <u>Responsible Party:</u> <u>Chief of Staff or appropriate Medical Executive</u> <u>Committee (MEC) representative</u>
- Content of Notice: If delinquent records remain uncompleted after 21 days, the provider will receive a final notice, and an immediate suspension of clinical privileges will be enacted until all delinquent records are complete.

Suspension Process

- Providers under suspension due to delinquent medical records will not be permitted to admit, treat, or discharge patients until their medical records are completed. Providers will still be required to fulfill any scheduled emergency department call shift responsibilities.
- <u>The suspension will remain in effect until all delinquent records are updated and</u> validated by the HIM department.
- <u>The suspension list is faxed, emailed, or mailed</u> <u>communicated</u> to the Chief of Staff, Chief <u>Financial</u> <u>Executive</u> Officer, Medical Staff Director, Registration, Acute Care Units (Medical <u>Surgery</u> <u>Surgical</u>, ICU, OB, and Same Day Surgery), and the Director of the Clinics.

Appeals and Reinstatement

- Providers may appeal a suspension in writing to the MEC within 7 days of receiving the suspension notice.
- The physician must Reinstatement of clinical privileges will occur once all delinquent records are completed, verified, and an approval notice is issued by the Chief of Staff or Department Chair.

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<u>Physicians are expected to</u> complete all deficient records to be cleared off suspension work before leaving for Extended Leave and or vacation. The records will be cleared through Health Information Services and a notice will go out to the various areas to reinstate the physician During that time, once Medical Records is notified, days are not accumulated.

1

ATTACHMENTS

Attachment A: Final Notice

Attachment B: Delinquent Notice

Document Owner:	Dea, Debra
Collaborators:	
Approvals	
- Committees:	
- Signers:	
Original Effective Date:	08/01/2010
Revision Date:	[04/01/2016], [06/23/2021 Rev. 0], [10/19/2023 Rev. 1], [02/27/2024 Rev. 2]
Review Date:	[08/01/2010]
Attachments:	Delinquent Notice
(REFERENCED BY THIS DOCUMENT)	Final Notice
Other Documents: (WHICH REFERENCE THIS DOCUMENT)	

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

http://hzh-iis.hazelhawkins.com/?returnto=%2Fcgi%2Fdocgw.pl%3Fref%3Dhhmh%3A10677%242%26ref2%3Dhhmh%3A10677%243.



DocID:	11302
Revision:	2
Status:	Official
Department:	Emergency
	Management
Manual(s):	CODES
	Emergency
	Management
	Managemént Program (obsolete)
	Program (obsolete)

Policy : CODE BLUE - Resuscitation Services - Adult

Differences between version $\frac{2}{2}$ and 3.

PURPOSE

"CODE BLUE" Definition :

"Code Blue" is an emergency situation constituting an immediate threat to the life of a patient. The situation might be corrected by the quick response of a team of personnel skilled in emergency resuscitation techniques to regain a functioning, contributing individual.

"Code Blue" at Hazel Hawkins Memorial Hospital means an emergency situation and extra personnel are needed to assist with patient care until the patient is stabilized.

This protocol is to acquaint hospital personnel with the <u>adult</u> resuscitation program process. The roles of each level of personnel are clearly outlined as well as the duties of physicians and team leaders who are in control of the resuscitation team.

Patients with a "terminal" prognosis, who, under normal non-emergent conditions, do not possess the capability of recovery must have "No Code" orders written by the attending physician before resuscitation effort will be withheld.

POLICY

Patient Symptoms Establishing Criteria for a "Code Blue"

A. Pulse and blood pressure rapidly becoming weak or unobtainable.

- B. Loss of heart action as noted by lack of palpable carotid, femoral and/or apical pulses.
- c. Lack of respiration, acute cyanosis or acute respiratory distress regardless of the cause.
- D. Sudden symptomatic massive hemorrhage.
- E. Obvious cardiac arrest which may be due to cardiac standstill or ventricular fibrillation.
- F. Sudden loss of consciousness and corresponding loss of reaction to stimuli.

DESIGNEE

Who May Call A "Code Blue"

Any hospital staff may call a " code blue Code Blue " upon finding an individual who meets the criteria. When possible, it is recommended that the decision be left to a professional <u>All</u>

<u>hospital employees and contracted</u> staff <u>member. All hospital employees</u> involved in patient care are trained in recognizing symptoms of immediate threat to life and in applying basic resuscitation techniques.

How To Call A "Code Blue"

- 1. A person not engaged in resuscitation of the patient ____ must page over the loud speaker by announce Code Blue using the hospital overhead paging system by dialing 1500. The following shall be paged announced clearly and calmly:
 - a. <u>"Code Blue Room /location</u> "(Repeat twice two additional times at 5 second intervals). <u>A person may also dial the hospital telephone operator (ext. 4444)</u> and request Code Blue announcement.
 - b. A visitor or non-professional may give the order to the switchboard operator if directed to do so by hospital personnel engaged in applying resuscitation techniques.
- 2. Press <u>Activate the</u> designated code button at head of patient's bed . Code button will sound alarm at outpatient registration and all other departments except obstetrics
 - a. <u>MedSurg and OB</u> <u>Medical/Surgical and Obstetrics</u> are "Staff Emergency" buttons, <u>alarms</u> and only alarm at Nurse's Station –. Code Blue must then be paged <u>announced</u> overhead (<u>ext. 1500</u>) by nursing staff <u>. A person may also dial the hospital</u> <u>telephone operator (ext. 4444) and request Code Blue announcement.</u>
 - b. SCU & ED: ED Intensive Care Unit and Emergency Department: Emergency Department should activate the Code Blue Button button. Intensive Care Unit should activate the red Code button. Once the Code button is activated, SCU & PACU - Red Button. Once Code button pushed, it alarms it will alarm at registration where it will be paged announced overhead. Code Blue must be announced overhead (ext. 1500) by nursing staff when the Registration department is not staffed (typically 9pm-6am).

PROCEDURE

- A. Role of the first person who reaches the "Code Blue"
 - 1. Be calm check <u>Check</u> and note time and evaluate responsiveness as described by AHA Guidelines American Heart Association guidelines.
 - a. Verify scene safety _
 - b. Victim is unresponsive, no breathing , or ineffective breathing, and no pulse _
 - c. Activate code system .Code Blue-Blue: Shout for help, use intercom/ announce Code Blue using overhead page paging system (ext. 1500), or phone dial hospital telephone operator (ext. Report unit 4444) and request Code Blue announcement. The following shall be announced clearly and calmly: "Code Blue - Room / room number/other locations. location " (Repeat total of three two additional times at 5 second intervals).
 - d. Get AED Automated External Defibrillator and emergency equipment or send someone to do so.
 - e. Begin high-quality CPR beginning with <u>30</u> compressions at <u>30:2</u> <u>followed by 2</u> <u>breaths using a manual resuscitator or a mask equipped with one-way valve.</u>
- B. 6-PERSON HIGH-PERFORMANCE CODE TEAM AND RESPONSIBILITIES 1. TEAM LEADER
 - a. Every team must have a defined leader

- b. <u>The Code Team Leader may consist of:</u> Attending Physician, Emergency Department Physician, <u>ED RN or SCU RN</u> <u>Emergency Department Registered</u> <u>Nurse or Intensive Care Unit Registered Nurse. The Physician will immediately</u> <u>assume the Team Leader role upon arrival with the following duties:</u>
 - 1. <u>Assigns Assign</u> roles and tasks to team members according to each team member's skill level
 - 2. Makes treatment decisions
 - 3. Provides feedback to the rest of the team as needed
 - 4. Assumes responsibility for roles not assigned RN's turn over role when physician arrives
 - 5. Intubation
 - 6. Code Management
 - 7. Debriefing

2. COMPRESSOR

- a. Any staff trained and certified in BLS Basic Life Support can do compressions
- b. Staff person trained in <u>AED</u> <u>Automated External Defibrillator</u> / <u>monitor</u> <u>Monitor</u> /Defibrillator preferred
- c. Assess the patient
- d. Does **5 cycles of high-quality chest compressions**
- e. Alternates with AED Automated External Defibrillator /Monitor/Defibrillator every 5 cycles or role at approximately 2 minutes (or earlier minute intervals, or sooner if signs of fatigue set in).
- f. If not proficient in use of <u>AED</u> <u>Automated External Defibrillator</u> /Defibrillator , switch roles with other qualified <u>BLS</u> <u>Basic Life Support certified</u> staff

3. AIRWAY

- a. Respiratory Therapist
- b. Opens and maintains the airway via BVM, suctioning
- c. Suctioning
- d. Provides ventilation 30:2 ventilations to non intubated patient using a manual resuscitator at a rate of 2 breaths to every 30 compressions. Once intubated, breaths should be given at a rate of 1 breath every 6 seconds
- e. Maintains intubated patient (rate of 1 breath every 6 seconds)
- f. Monitors end tidal CO2 <u>Attaches Calorimetric carbon dioxide detector and checks for proper color change and monitors End Tidal Carbon dioxide levels (if available)</u>
- g. Obtains and results ABG's, obtains <u>Collects blood for Arterial Blood Gas analysis</u> and performs 12 lead EKG <u>Lead Electrocardiograms per physician orders</u>

4. AED/MONITOR/DEFIBRILLATOR

a. Brings and operates the AED <u>Automated External Defibrillator</u> / monitor <u>Monitor</u> / defibrillator

- ED RN Emergency Department Registered Nurse , SCU RN Intensive Care Unit Registered Nurse , ACLS trained Advanced Cardiac Life Support certified staff
- Alternates with Compressor every 5 cycles or <u>at approximately</u> 2 minutes <u>intervals</u> (or earlier if signs of fatigue set in) , ideally during rhythm analysis <u>compression pauses</u>. If compressor is not proficient in monitoring they can switch with someone who is <u>qualified in BLS</u> <u>certified</u> in <u>Basic Life Support and monitor proficient</u>.
- 3. Places monitor in position where it can be seen by the Team Leader
- 4. Attaches monitor leads and interprets rhythm
- 5. Defibrillates when recommended per orders from Team Leader

5. ADMINISTER MEDICATIONS

- a. AN ACLS PROVIDER ROLE An Advanced Cardiac Life Support provider role
- b. ED RN Emergency Department Registered Nurse , SCU RN Intensive Care Registered Nurse , ACLS CERTIFIED STAFF Advanced Cardiac Life Support certified nursing staff
- c. Starts and maintains intravenous line
- d. Maintains intraosseous line if present
- e. Administers medications as ordered by Physician

6. TIMER/RECORDER

- a. Patient's primary nurse
- b. Records the time of interventions and medications (and announces when these were given.) on the Cardiopulmonary Resuscitation Record
- c. Records the frequency and duration of interruptions in compressions
- d. Communicates these to the Team Leader (and the rest of the team) <u>and the</u> <u>Code Team</u>
- e. Completes Code Blue patient information sheet form
- f. Completes Debriefing debriefing documentation
- g. Obtains any required signatures of code team Code Team

c. SUPPORTING STAFF (MAY OR MAY NOT BE NEEDED)

- 1. Patient's primary nurse , Charge Nurse, charge or resource nurse
 - a. History Documents history, and events leading up to arrest . Helps complete patient information, helps comlete patient information if not available
 - b. Documents Signs & Symptoms and symptoms
 - c. Documents Medications
 - d. Call attending Physician , if not present during Code
 - e. Assisting with procedures-NG procedures: Nasogastric tube, FG foley catheter, IV, Vital intravenous lines if within the scope of their license. Collect and document vital signs, supplies, if within the scope of their duties. Serve as runner, etc.

- 2. House Coordinator
 - a. Assesses team 📕 readiness at beginning of shift
 - b. Locate all members of team, page or call if they haven't arrived
 - c. Assist family
 - d. Crowd control, assess which staff members may be needed or excused . If no purpose they should return to their units.
 - e. Lock down if applicable, notification of unit director and administration as per policy
 - f. Assist primary nurse or charge nurse with completion of calling coroner, Donor Network West, and Authorization of Death Form, Incident report, etc
 - g. Enter appropriate information in Donor Log in House Coordinator office if applicable
 - h. Noise control
 - i. Bed control, staffing if needed
- Ancillary staff determined by need , excuse any that do staff that are not have a purpose needed.
 - a. Lab Technician obtain Technician: Obtain appropriate labs and report values to team leader
 - b. X-ray Technician standby for necessary tests Radiology Technician: Stand by for physician orders
 - c. Pharmacist standby Pharmacist: Stand by to prepare/provide additional medications and assist with dosage and calculations
 - d. <u>Clerks make</u> <u>Clerks: Make</u> phone calls, help with transfers out of hospital and between units, delivering lab specimens, calling pastoral support etc

D. WHAT TO COMMUNICATE

1. Team Leader should encourage knowledge sharing, observations and feedback, summation of information as a way to reevaluate the victim's status, interventions performed, and the team's progress.

E. HOW TO COMMUNICATE

- 1. Closed-Loop Communication
 - a. Team Leader communicates task
 - b. Staff member confirms instructions verbally
 - c. Staff tell repeats instructions verbally to Team Leader when task is completed
- 2. Clear <u>, concise</u> messages -concise, clear language _
- 3. Voice Friendly voice tone friendly, controlled and avoid . Avoid shouting or aggression
- 4. Mutual Demonstrate mutual respect and a professional attitude towards team members, regardless of their skill level or training -

F. POINTS FOR SUCCESS

- 1. Know your limitations
- 2. Constructive Provide constructive intervention to correct actions that are incorrect or inappropriate

- 3. Share knowledge Knowledge sharing
- 4. Adjust team assignments roles to number of team members present
- Debrief- the opportunity for team <u>Debrief: A Code Blue defriefing is to be completed</u> immediately or as soon as possible after every Code Blue event with Code Blue Team members to identify why certain actions were taken. The nurse that completed the <u>Code Blue Resuscitation Record (Recorder) will be responsible for completeing the</u> <u>debriefing form.</u>
 - a. Helps individual team members to perform better
 - b. Aid in identification of system strengths and deficiencies

DOCUMENTATION

A <u>CPR record</u> <u>Cardiopulmonary Resuscitation Record form</u> will be completed each time there is a code. The original becomes a part of the medical record.

Code Blue Debriefing

- 1. Code Blue Activations are evaluated by the Performance Improvement Patient Safety Critical Care Committee using the Code Blue Debriefing form, Code Blue form (PIPS blue patient information form) using the "Code Blue Debriefing", and Cardiopulmonary Resuscitation Record form. A The Code Blue Debriefing form and , a copy of the Code Blue Flowsheet is filled out and turned into the Quality Resource Services form (ORS blue patient information form), and a copy of the Cardiopulmonary Resuscitation Record form is completed and forwarded to the Emergency Department Director. The original Code Blue Flowsheet Cardiopulmonary Resuscitation Record is placed on the patient's chart.
- Code Blue Debriefing forms , <u>Cardiopulmonary Resuscitation Record forms</u>, and <u>Code Blue</u> <u>forms (blue patient information form)</u> are kept on the clipboard with <u>Code Blue Flowsheets on</u> the code cart <u>attached to all crash carts</u>.
- 3. A Code Blue Debriefing <u>form</u> is to be completed following each Code Blue by the same nurse completing the <u>Code Blue Flowsheet</u> <u>Cardiopulmonary Resuscitation Record</u> (Recorder). When <u>completed</u>, the Code Blue Debriefing form must be sent to QRS along with a copy of the Code Blue Record.
- 4. All data collected is shared with the PIPS for process presented and discussed in <u>quarterly Critical Care Committee meetings. Opportunities for improvement are identified</u> and acted on promptly. PIPS Data is also presented quarterly in Quality Assurance and <u>Performance Improvement (QAPI) meetings. Quality Assurance and Performance Improvement (QAPI) meetings. Quality Assurance and Performance Improvement (DAPI) meetings. Quality Assurance and Performance Impr</u>
 - The number of Code Blue Activations activations each year -
 - The location locations of Code Blue Activations. activations
 - Outcomes of patients at the completion of Code Blue Activations. <u>activations</u>
 - System issues that initiated an intervention by PIPS. the Critical Care Committee

REFERENCES

American Heart Association 2020, Handbook of Emergency Cardiovascular Care for Healthcare Providers.

American Heart Association 2020. BLS Basic Life Support Provider Manual,

Document Owner: Collaborators: Egbert, Michael

Approvals

- Committees: - Signers: Original Effective Date: Revision Date:

Review Date: Attachments: (REFERENCED BY THIS DOCUMENT) Other Documents:

(WHICH REFERENCE THIS DOCUMENT)

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Policy : Performance Development and Evaluation

Differences between version Θ and 1.

PURPOSE

The purpose of performance development and evaluation is to:

- 1. Improve employee performance through coaching and goalsetting.
- 2. Clarify responsibilities and update job descriptions if necessary.
- 3. Understand the employee's needs for supervisory support.
- 4. Recognize accomplishments and suggest areas for growth.
- 5. Develop plans to realize the employee's potential.
- 6. Identify additional training needs.
- 7. Provide a record of growth and accomplishments to support pay recommendations.

POLICY

The policy outlines the responsibility of each Department Manager <u>department director or designee</u> for the performance development, evaluation, and communication of evaluation for their staff at least annually and at the end of the introductory period.

PROCEDURE

Performance Development Review:

Each manager director or designee conducts performance development meetings at least annually and at the end of the introductory period.

Methods and Time Frames:

There are several ways to reach these general goals. The following outline is a proven and successful method:

Initial Performance Planning Review:

- Held no more than three months after new employment, promotion, or transfer.
- Establish mutual agreement on job content, set performance objectives, and criteria for evaluation(s).
- Performance objectives should be clear, measurable, and realistic.
- Supervisor writes a memorandum or completes an evaluation form, reviewed and signed by both parties. Copies should be provided to Human Resources Department to store in their personnel file.

Subsequent Annual Review Expectations:

- Held at least annually.
- Achievement of performance development goals.
- Obstacles encountered.
- Supervisory support received.
- Modifications to duties and responsibilities, if applicable.
- New performance development goals and evaluation criteria.
- Required supervisory support and training needs.
- Value and improvement of the performance review meeting.
- Note: Salary decisions are discussed only after receiving all required approvals from Human Resources and Administration.

Assistance:

The Human Resources Department supports various departments by implementing performance development and evaluation programs, organizing meetings, and creating necessary forms.

Annual Step Increases

Full-time and part-time employees are eligible for annual step increases after completing a year of continuous service. The increase is applied at the start of the next pay period after the anniversary date.

<u>Per Diem employees become eligible for step increases only after</u> <u>completing 1000 hours of work since their last increase date, with a</u> maximum of one step increase allowed per year.

Advancement beyond certain steps requires specific longevity criteria, and employees must meet these requirements to progress further. Employees should consult Human Resources for more information on the criteria and the process for advancing beyond these steps.

Grievances:

Performance evaluations are not grievable under the formal grievance procedure, but employees may submit a written rebuttal to be attached to the performance evaluation record.

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Approvals	
- Committees:	
- Signers:	
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Revision Date:	[01/01/1990], [09/02/2019], [03/02/2021], [06/02/2022], [06/14/2024], [06/14/2024 Rev. 0]
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Other Documents: (WHICH REFERENCE THIS DOCUMENT)	

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DocID:12231Revision:OStatus:Pending Committee
ApprovalDepartment:Human ResourcesManual(s):Image: Committee
Human Resources

Policy : Solicitation

PURPOSE

The purpose of this Solicitation Policy is to ensure that all solicitation and distribution activities on San Benito Health Care District (SBHCD) properties are conducted in a manner that maintains a professional, safe, and patient-centered environment. This policy aims to prevent disruptions to healthcare operations, protect the privacy and comfort of patients, residents, and visitors, and ensure that the workplace remains free from unnecessary interruptions, litter, or congestion. By establishing clear guidelines, SBHCD seeks to balance the needs of employees and the public while prioritizing the well-being of those we serve.

POLICY

SBHCD is dedicated to upholding a professional and respectful environment that is free from any form of solicitation for patients, residents, employees, and visitors.

DEFINITIONS

Working Time: Working time refers to any period during which an employee is expected to perform job duties. It does not include rest breaks or lunch periods. However, an employee on a break or lunch period may not solicit or distribute materials to another employee who is working.

Working Areas: Working areas include all areas of the district, including dining areas, employee lounges, locker rooms, lobby, bathrooms, gift shop, and outdoor areas, which includes parking lots.

PROCEDURE

Employees are not permitted to solicit for any purpose during working hours. Solicitation during non-working hours is also prohibited in patient/resident

rooms, immediate care areas (such as nursing stations), corridors in patient/resident areas, and sitting rooms designated for patients/residents and visitors.

Non-employees are strictly prohibited from soliciting or distributing literature on district property for any purpose at any time.

Employees are not allowed to distribute written materials for any purpose in working areas or during their working hours. Distribution of literature is only permitted when the distributing employee is on non-working time, and it has been approved by Administration.

Solicitation and distribution activities must not obstruct access to or from district facilities or impede movement within the district.

Failure to adhere to this policy may result in disciplinary action, determined based on the specific circumstances of the violation.

REFERENCES

Business and Professions Code 16600

Labor Code Section 970

California Code Regulations tit. 8 § 20900

Tartala, Drew
(11/14/2024)Policy & Procedure Committee, (Not yet approved)Board of Directors,
[01/01/1990], [09/02/2019], [03/02/2021], [06/02/2022], [10/03/2024]
[09/01/2009], [12/01/2012], [09/01/2019], [03/01/2021], [06/01/2022], [09/26/2024]

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DocID:12235Revision:OStatus:Pending Committee
ApprovalDepartment:Human ResourcesManual(s):Human Resources

Policy : Identification Badges

PURPOSE

The purpose of this policy is to establish clear and consistent guidelines for the issuance, handling, use, and security of identification badges within San Benito Health Care District (SBHCD). This policy aims to ensure safety, security, and proper access control for all personnel affiliated with the district.

POLICY

SBHCD is committed to maintaining a secure environment for its employees, students, contractors, and volunteers. Identification badges serve as official verification of an individual's affiliation with the district and are crucial for access control and operational integrity. This policy outlines the standards for badge issuance, visibility, replacement, and ownership, ensuring that all individuals comply with these guidelines for security and safety purposes. This policy applies to all employees, students, contractors, travelers, and volunteers affiliated with SBHCD, including non-employed healthcare workers with medical staff privileges.

PROCEDURE

Issuance and Visibility of Identification Badges:

Identification badges are issued through the Human Resources Department. All badges must be worn above the waist and remain visible at all times while on duty. This requirement is essential for safety and security, and non-compliance will not be tolerated.

Replacement Badges:

A replacement badge will be provided under the following circumstances:

- Name changes
- Badge damage

Badge loss or misplacement

Badge Information Standards:

- Names: First name only
- Title: Professional or position title, displayed on the same line
- Employee Number: Included on the badge

Identification badges are personal and must not be shared with others. Any violation of this policy will result in disciplinary action, which may include termination or contract termination.

Function and Ownership of Identification Badges

The identification badge serves as official confirmation of an individual's affiliation with SBHCD. It facilitates the clocking in and out of shifts, grants access to hospital premises, and is required for participation in functions necessitating identification. All badges remain the property of SBHCD and must be returned upon the conclusion of employment, termination of contracts, or the completion of student assignments.

Additional Requirements for Students and Contractors:

For students and contractors, the following additional procedures apply:

- **Pre-Arrival Requirements:** A valid contract must be on file and cleared by employee health before the student or contractor arrives at Human Resources for processing.
- Documentation Required:
 - Proof of Identification (e.g., school ID or Driver's License)
 - Signed HIPAA/Confidentiality Statement
 - Signed Obligation to Report Child/Elder Abuse form
 - Signed Behavioral Standards Form
 - Any other documentation associated with their classification.

Upon completion of these requirements, and as needed, computer access forms will be issued, and the identification badge will be provided.

All students and contractors must read, sign, and acknowledge understanding of this policy. Failure to adhere to these guidelines may result in termination of the

contract or placement.

Document Owner: Collaborators:	Tartala, Drew
Approvals	
- Committees:	(11/14/2024) Policy & Procedure Committee, (Not yet approved) Board of Directors,
- Signers:	
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Other Documents:	
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Workplace Violence Prevention Program

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Approvals

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Plan : Workplace Violence Prevention Program

PURPOSE AND SCOPE

San Benito Health Care District (SBHCD) will not ignore, condone, or tolerate acts of workplace violence committed by or against any member of the district, or by any patient, visitor, or other person.

In compliance with Title 8, California Code of Regulations, Section 3342 (T8 CCR 3342) and SB 553, SBHCD will establish, implement, and maintain an effective Workplace Violence Prevention Plan (WPVPP). Alongside the Injury and Illness Prevention Plan (IIPP), the WPVPP is always in effect in every unit, service, and operation related to SBHCD. This Plan will be specific to the hazards and corrective measures for the unit, service, or operation, and will always be available to employees in their unit's designated area. This Plan establishes and implements the system to achieve its effectiveness for the overall facility. The Plan will be reviewed at least annually in conjunction with the Workplace Violence Advisory Council, employees, and their representatives regarding the employee's respective work areas, services, and operations.

Workplace violence covered by this Plan includes any act of violence or threat of violence that occurs at the worksite. This includes the threat or use of physical force against an employee, patient, or visitor as well as the threat or use of a firearm, dangerous weapon, or common object used as a weapon.

ROLES AND RESPONSIBILITIES

Workplace Violence Administrator

The Workplace Violence Administrator (Workplace Violence (WPV) Administrator) for SBHCD is the Director of Emergency Management and Security. The Workplace Violence (WPV) Administrator has the authority and responsibility for implementing the provisions of this Plan for SBHCD. The WPV Administrator supports the Director of Human Resources and is responsible for coordinating the daily activities of the Workplace Violence Prevention Program. They will also provide an annual workplace violence report for executive leadership, or at their request.

Directors, Managers, and Supervisors

All Directors, Managers, and Supervisors are responsible for implementing and maintaining the Plan in their work areas and for answering employee questions about the program.

Directors or designees of units designated 'high risk' (Emergency Department, ICU, and areas handling controlled substances) for workplace violence exposure will ensure that a unit specific Workplace Violence Prevention Plan (Unit Specific Plan), which is to incorporate the unique risk factors of the unit, service, or operation, is developed for their unit. Directors or designees will ensure the employees on the unit are engaged and involved in the process of developing and reviewing the unit specific plan.

Director or designees of units that utilize contract or temporary employees are responsible for ensuring that such employees are informed of the Plan, that those employees understand their respective roles as provided in the Plan, that workplace violence incidents involving any employee are reported, investigated and recorded and that, as applicable, contract and temporary employees are provided and complete any required workplace violence prevention training.

Employees

Employees are required to report all incidents of workplace violence to their Director/Designee or the House Supervisor immediately and complete an incident report within 12 hours to Employee Health. They are also responsible for reporting any deficiencies, hazards, or concerns to leadership personnel and completing required training sessions, including interactive opportunities for questions and answers. Employees are expected to cooperate in investigations of workplace violence, participate in risk assessments and workplace violence prevention (WPVP) planning, and provide input on the development and effectiveness of the plan. Additionally, employees must follow the procedures established for the prevention of workplace violence.

Administration

Administration supports the implementation and sustainability of this plan through the Workplace Violence Prevention Advisory Council and fosters a culture of safety within SBHCD. Administration ensures that appropriate equipment and resources are provided to patient caregivers to help create and maintain a violence-free workplace. They also ensure that the WPVPP is accessible to all employees, reviewed, and updated annually or after any major incident.

Workplace Violence Prevention Advisory Council

The WPVP Advisory Council (WPVPAC) is charged to assess workplace violence at SBHCD, determine preventive actions and ensure compliance with T8 CCR 3342. The Council will assist in the development, implementation, and review of SBHCD's WPV reporting processes by way of their respective committees. The WPVPAC will also conduct an annual effectiveness review of the SBHCD's Workplace Violence Prevention Plan. The WPVPAC responsibilities include, but are not limited to, improving the district's readiness to address workplace violence by:

- Responding with direction to reports of threats or acts of violence.
- Conducting threat assessments when warranted to assess the risk of future violence from a potential aggressor and determine an appropriate organizational response.
- Reviewing and discussing incidents involving workplace violence, hazard assessments and corrective actions.
- Tracking and trending of incident data.
- Assessing the vulnerability to workplace violence at SBHCD and determine preventative actions to be taken.

- Establishing and maintaining policies for dealing with issues of workplace violence. Developing an expertise among team members and members of management regarding issues of workplace violence and establishing a threat management strategy.
- Providing oversight and coordination of workplace violence prevention training.
- Conducting and documenting the annual review of this Plan.

The WPVPAC will meet every two-months, or as needed. The WPVPAC is chaired by the WPV Administrator, and will consist of representation from human resources, engineering, nursing, infection prevention, ancillary services, union members, and other non-affiliated employees.

Threat Assessment Team

A Threat Assessment Team is established to respond to serious, credible threats at SBHCD and determine any mitigation actions to be taken. This team is chaired by the WPV Administrator and cochaired by the Director of Human Resources and its members shall be represented by the departments/units listed below:

- WPV administrator (Chair)
- Director of Human Resources (Co-Chair)
- Risk management
- Employee health
- Regulatory Accreditation
- Leadership representation as applicable

Additionally, this group is responsible for post-incident debriefings, coordinating follow- up investigations and documentation, and providing any follow-up on environmental risk factors and risk-reduction measures. Some assessments may require ongoing management and monitoring, which will be the responsibility of the WPVPAC.

PROCEDURE FOR REPORTING INCIDENTS, THREATS, OR CONCERNS

At the first sign of aggressive, disruptive, violent, sexually inappropriate, or threatening behaviors, employees shall provide themselves a safe distance and notify one of the following immediately:

- Security and/or 9-1-1
- Charge nurse
- House supervisor
- Department director or designee
- WPV administrator
- Administrator on call

In addition, other employees may be asked to participate due to their area of expertise or responsibility, on an as-needed basis.

Any SBHCD employee or contractor can report any incident, threat, or concern internally through Midas or to the Workplace Violence Administrator without fear of reprisal. Employees will not be discharged, discriminated, or otherwise retaliated against for reporting workplace violence incidents. SBHCD is prohibited from disallowing an employee from or taking punitive or retaliatory action against an employee for, seeking assistance and intervention from local emergency services or law enforcement when a violent incident occurs.

Incidents, threats, or concerns must be reported as soon as possible to the employee's Director or desginee. Urgent or dangerous incidents must be reported immediately in the following ways:

- Call the internal emergency number (1000) and activate the appropriate response code.
- In the event of an immediate threat or violent act where serious bodily harm is imminent or likely, dial 9-1-1; give details and location of person/situation; then dial 1000; give the operator your name, location, and a description of the problem, and activate the appropriate response code. If

operator is unavailable, any employee can activate the appropriate response code.

• Clinics and Skilled Nursing Facilities: Dial 9-1-1; give details and location of person/situation; then notify the Administrator on Call (AOC), as soon as possible.

In the event of an imminent threat or active violence incident, such as an active shooter situation or a credible threat of serious harm, any SBHCD employee is authorized to initiate emergency procedures. This may include contacting law enforcement directly by dialing 9-1-1, activating emergency response codes, and/or initiating a facility lockdown to ensure the safety of employees, patients, and visitors. The Workplace Violence Administrator, Director of Emergency Management and Security, or designee will then take over command of the situation and coordinate further emergency response actions, including notifications to employees and communication with local authorities.

For employees who have experienced an injury, immediate medical care or first aid must be provided to the employee. Directors or designees who are made aware of an employee who experienced a workplace violence event, or reasonably believe such an act has occurred, are responsible for partnering with the affected employee and ensuring the incident is reported to the Workplace Violence Prevention Administrator using the Midas system.

It is recognized that many incidents or threats will be assessed at the line-level and deemed not necessary for follow-up. Factors to consider when assessing include, but are not limited to, the nature of the threat, if an employee is making the threat, the ability of the individual making the threat to carry it out, access to weapons, and the urgency of the situation. The Threat Assessment Team can be activated at any time and will be responsible for reviewing threats on an as needed basis.

All incidents must also be reported to the Human Resources and Employee Health department. The Human Resources department maintains an electronic Workplace Violence Incident log. This log is reviewed at the WPVP Advisory Council meeting and is available to district employees upon request.

POST INCIDENT RESPONSE AND INVESTIGATION

Incidents which, by definition, are WPV will be investigated as required. A WPVPAC team member will determine the type of violence committed, list the incident in the Violent Incident Log, and report back to the applicable department, or as necessary.

Once an incident has been reported and mitigated, Directors or designees, along with the affected employee(s) will be responsible for documenting the incident using Midas. The incident is then evaluated by the WPVP Administrator to determine if it meets the WPV criteria and, if so, determines if it is a CalOSHA reportable incident. The following steps should be completed after each WPV incident.

- Render the incident scene safe and secure to ensure a WPV incident will not re-occur. This should be accomplished by utilizing employees on hand, police, and or Security.
- Identify the parties involved.
- Conduct a follow-up investigation.
- Conduct a post-incident debriefing (Violent Incident Debriefing) as soon as possible after the incident with all employees, Supervisors, and security involved in the incident. Violent Incident Debriefings are only required for physical assaults or a threat of violence.
- Conduct a work area assessment.
- Document the investigative steps taken.
- Correct any workplace safety hazards that were identified within seven days.
- Make individual counseling available to all employees affected by the incident.
- Ensure the Employee Assistance Program is readily accessible to the affected employees.

All WPV incidents will be tasked to the respective SBHCD Director or designee for follow-up investigation and to the Risk Assessment Team for review to determine if a criminal investigation is needed. The Director or designee is responsible for properly conducting a post-incident response. The Director or designee conducts a followup investigation and debrief by reviewing the facts of the incident, contacting involved employees, assessing the physical workspace to determine if modifications to enhance safety are necessary, and offering suggestions for future mitigation of violence.

The Director or designee should also review the incident for any patient-specific risk factors and any risk reduction measures that were specified for that patient. The review should also assess whether appropriate corrective measures developed under the WPV Plan such as adequate staffing, provision and use of alarms or other means of summoning assistance, and whether the response by employees or law enforcement were effectively implemented. The Director or designee is responsible for, and shall document, the follow-up and debriefing using Midas. The Director or designee, who has responsibility over the respective incident, is responsible for following up with the reporting employee of what corrective actions were taken include: soliciting from the injured employee and other personnel involved in the incident their opinions regarding the cause of the incident, and whether any measure would have prevented the injury. The WPVP Administrator will assist the employee and the Director or designee with the incident. All investigative steps shall be entered and stored in Midas, excluding administrative and criminal investigations, by the respective parties. A WPV Administrator representative may conduct additional follow-up with the affected personnel if necessary. The WPVPAC is responsible for closing the incident once all assigned tasks have been completed and the Director or designee has signed off on the incident.

CAL/OSHA Reporting

The WPVP Administrator determines if a WPV incident meets the CalOSHA reporting requirements and will report these incidents in the following time frames, per T8 CCR 3342.

24 Hours: If the incident results in an in-patient hospitilization, involves the use of a firearm or other dangerous weapon, or

presents an urgent or emergent threat to the welfare, health, or safety of SBHCD employees, the WPVP Administrator will report the incident to CalOSHA within 24 hours.

72 Hours: All other incidents involving the use of physical force against an employee by a patient or a person accompanying a patient that results in, or has a high likelihood of resulting in injury, psychological trauma, or stress, regardless of whether the employee sustains an injury will be reported to CalOSHA within 72 hours.

Communication

The WPVP Administrator, Human Resources, and all Director or designee will be responsible for disseminating information to employees regarding the results of workplace violence investigations and any corrective actions taken, in accordance with all privacy laws. This dissemination will be required when requested by the employee.

Director or designees will be responsible for documenting and communicating to employees between shifts and units when there are conditions that may increase the potential for workplace violence, including the arrival or presence of patients determined to possess an increased risk of violence toward employees based on current behavioral patterns, previous FYI flags, or a scientific based evaluation, such as the Broset Violence Checklist. This information will also be reported to the WPV Administrator and security by the Director or designees of the department.

To obtain the active involvement of employees and their representatives in the workplace violence prevention efforts, employees from designated units/areas (via WPVPAC) and union representatives will be invited to attend meetings with representatives of the Workplace Violence Prevention Program. At these forums, members can raise and discuss issues pertaining to workplace violence prevention in their units/service/operations.

Human Resources (HR), Purchasing, Medical Staff Services, and the WPV Administrator will be responsible for ensuring that all contract personnel or temporary employees receive the required WPV training. The provided training will be conducted through online module training and shall comply with WPV training standards. HR), Purchasing and the WPV Administrator will further inform employers of contract or temporary employees of the WPVP Program, including the Plan, workplace violence prevention training, proper methods to report and investigation of workplace violence incidents that may affect their employees. Director or designe are responsible for providing unit- specific plan information to all contract or temporary employees assigned to their unit/area.

WORKPLACE HAZARD ASSESSMENT

The WPVPAC, together with assistance from the Director or designee will be responsible for conducting workplace hazards assessment for each unit. These assessments will also include a security assessment performed in conjunction with the police department. Record of these assessments will be maintained in the unit's red Disaster Binder and shall always be accessible to all employees. The environmental risk assessments will include, but not be limited to the following factors: employees working alone, remotely or at early or late hours, poor illumination or visibility, lack of physical barriers, lack of effective escape routes, obstacles and impediments to access alarm systems, locations where alarm systems are not operational, entryways where unauthorized entrances may occur, presence of furnishings or objects that could be used as weapons in patient contact areas and storage of high value items, currency or pharmaceuticals. These assessments, individual departmental or unit WPVPPs shall be stored in every department/unit red binder that is always accessible to all employees. The individual WPVPPs placed in the red binder shall have a full copy of this SBHCD WPVPP.

Each high-risk unit or area, including but not limited to the Emergency Department, ICU, and areas handling controlled substances, will have a tailored Workplace Violence Prevention Plan (Unit-Specific Plan) developed based on the unique risks associated with the unit. These plans will include specific risk-reduction measures, such as staffing ratios, patient screening for violence risk, use of alarm systems, and security presence. The plans will be reviewed quarterly, in addition to the annual facility-wide review, to ensure that evolving risks are promptly identified and mitigated. All Unit-Specific Plans will be documented and accessible in the unit's red Disaster Binder for immediate reference.

Fixed Workplaces

Workplace hazard assessments will be conducted for every facility, unit, service, or operation as necessary based on environmental factors, but not less than annually. Assessments will be conducted using the workplace violence risk assessment tool and must be conducted in every unit and area (inpatient, ambulatory, and nonclinical), including outdoor areas such as parking lots and grounds.

Patient Specific Hazard Assessment

Employees will be notified by Emergency Department (ED) Registration, external Emergency Medical Services (EMS), House Supervisors, or the ED Charge Nurse of patient's mental status and conditions that may cause the patient to be nonresponsive to instruction or to behave unpredictably, disruptively, uncooperatively, or aggressively, or if the patient has a known history of violence against others.

Paramedics or emergency medical service providers will follow established communication rules for dispatching authorities to the scene and to notify law enforcement and the receiving Emergency Department of any risk factors they are aware of at the scene.

Any disruptive or threatening behavior displayed by a patient or other person will be relayed to the Director or designee and/or the WPV Adminstrator by the health care provider as required based on the behaviors. Patients with a known history of physical violence toward employees will have a FYI alert placed on their medical record. The following safety precautions will be taken when a FYI is placed in the patient chart:

• Remove any/all objects from the room, as able, that the patient might throw or otherwise use as a weapon. Do not enter patient room alone (at least two employees).

- Employees will, as much as possible, not place themselves in a position where the patient can block employees from leaving the room.
- Employees will maintain adequate distance between the patient to react if the patient becomes violent while also allowing for the provision of patient care.
- When employees must get close to the patient (i.e., provide direct patient care), ensure adequate coverage is available to assist.
- Depending on patient history/behavior and exigency, consider calling for the WPV Administrator for deescalation intervention and/or security to standby as employees interact with the patient.
- Limit interactions with the patient as much as possible while still providing required levels of care.
- If/when patient becomes violent or threatening toward empoyloyees, leave the room and contact others for assistance (Unit Manager/Supervisor, security and/or police) as needed.

If a visitor is determined to be a disruption to patient care or normal district operations, the unit/service/operation supervisor, in collaboration with Security, will be responsible for assessing visitors and allowing or denying access to the facility. If it is decided a visitor is denied access, a notation should be made denoting the length of denied access and associated patient.

Correction of Workplace Hazards

SBHCD will take measures to protect employees from imminent hazards immediately and will take measures to protect employees from identified serious hazards within seven days of the discovery of the hazard. When an identified corrective measure cannot be implemented within this timeframe, SBHCD will take interim measures to abate the imminent or serious nature of the hazard while completing the permanent control measures. Engineering and work practice controls will be used to eliminate or minimize employee exposure to the identified hazards to the extent feasible. Correction of workplace hazards will be documented and retained according to the requirements laid out by the WPVP Plan and Environment of Care (EOC).

REVIEW OF PLAN

An annual review of this Plan will be conducted to review the effectiveness of the Plan for the overall facility or operation, in conjunction with employees and their representatives regarding the employees' respective work areas, services and operations. Workplace hazards found during the review shall be corrected per the procedures outlined above. This review will include an evaluation of staffing, including staffing patterns and patient classification systems that contribute to, or are insufficient to address, the risk of violence; sufficiency of security systems, including alarms, emergency response and security personnel availability; job design, equipment and facilities; security risks associated with specific units, areas of the facility with uncontrolled access, late night or early morning shifts and employee security in areas surrounding the facility, such as parking lots and other outdoor areas.

The Plan as it applies to units within a facility, the facility as a whole, or the particular operation, shall also be reviewed for the unit, facility or operation and updated whenever necessary as follows: (a) to reflect new or modified tasks and procedures which may affect how the Plan is implemented; (b) to include newly recognized workplace violence hazards; (c) to review and evaluate workplace violence incidents which result in a serious injury or fatality; or (d) to review and respond to information indicating that the Plan is deficient in any area. When a revision to the Plan is needed for only part of the facility or operation, the review process will be limited to the employees in the unit(s) or operation(s) affected by the revision.

TRAINING

All employees covered by the scope of this program shall receive training that covers, but is not limited to, the following:

- An overview of the W.V.P. policy and program.
- How to recognize the potential for violence.
- Strategies to avoid physical harm.
- Recognizing alarms, alerts, or other emergency conditions.
- The role of private security.
- How to report incidents to law enforcement.
- Reporting incidents of workplace violence.
- Resources that are available to employees, including distress buttons.
- An opportunity to ask questions and receive answers from a knowledgeable person.

All employees and supervisors who provide direct patient care shall receive education and training annually via HealthStream. Onsite training will also be made available, giving the opportunity for interactive questions and answers with a person knowledgeable about the W.V.P. plan.

Employees who are assigned to respond to incidents of workplace violence will receive additional training to include:

- General and personal safety measures.
- Risk factors for aggression and violence.
- The assault cycle.
- Verbal de-escalation techniques and physical maneuvers to defuse and prevent bodily harm.
- Appropriate and inappropriate use of restraining techniques.
- Proper and improper use of medications as chemical restraints.
- An opportunity to practice the maneuvers and techniques.

Refresher Training: Subsequent refresher training will be held on an annual basis and as new regulations are implemented, work practices are changed, or when new equipment is introduced.

All training provided under this Plan will include opportunities for interactive participation. In-person training sessions shall allow employees to ask questions and receive responses during the training. For online or computer-based training, employees will have the ability to submit questions and feedback at the end of each training module. Responses to submitted questions will be provided within one business day by a knowledgeable individual. All training content will be reviewed annually and updated to reflect any regulatory changes, workplace incidents, or newly recognized workplace violence hazards.

RECORDKEEPING

All workplace violence hazard assessment, evaluation, and correction records are created and maintained as required by the WPV Administrator. Training records are created and maintained within the HealthStream system. Records of violent incidents, including the violent incident log, are kept for at least five years.

All records of workplace violence hazard identification, evaluation, and correction, as well as training records and violent incident logs, shall be made available to employees and their authorized representatives, upon request and without cost, for examination and copying within 15 calendar days of a request.

All personal/employee information in records must adhere to privacy and HIPAA guidelines within reports.

REFERENCES

Title 8 C.C.R. § 3342 Violence Prevention in Healthcare.

Senate Bill 553.

STAKEHOLDERS

SBHCD Employees, Contractors, Students, and Volunteers.

Document ID12243DepartmentHuman ResourDocument OwnerTartala, DrewAttachments:
(REFERENCED BY THIS DOCUMENT)Other Documents:
(WHICH REFERENCE THIS DOCUMENT)

12243Document StatusPending Committee ApprovalHuman ResourcesDepartment DirectorTartala, DrewTartala, DrewNext Review Date

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Policy : Subpoena and Legal Document Processing Policy

PURPOSE

The purpose of this policy is to ensure the proper handling and management of subpoenas and other legal documents served to San Benito Health Care District (SBHCD). This policy outlines the designated departments responsible for receiving and processing such legal documents to protect patient confidentiality, employee rights, and the legal interests of the District.

POLICY

SBHCD is committed to ensuring that all legal documents, including subpoenas, complaints, and summons, are handled in accordance with state and federal regulations. All subpoenas related to medical records, personnel records, or legal matters involving employees must be directed to the appropriate department for timely and compliant processing. SBHCD prioritizes legal compliance while ensuring patient and employee privacy is protected in all legal proceedings.

DEFINITIONS

Subpoena: A legal document issued by a court or other legal authority that commands a person or entity to appear at a certain time and place to provide testimony or produce documents and records. Subpoenas may be served for a variety of reasons, including medical or personnel records, in connection with legal proceedings.

Complaint: A formal legal document that sets forth the alleged facts and legal reasons the filing party believes are sufficient to support a claim against another party in a court of law. In this policy, a complaint refers to legal actions filed against San Benito Health Care District (SBHCD).

Summons: A legal document notifying an individual or entity that a lawsuit has been filed against them and that they are required to respond to the complaint within a specific time frame.

Process Server: A person authorized by law to serve legal documents, such as subpoenas, complaints, or summonses, to individuals or entities involved in legal proceedings.

Medical Records: Any documentation related to the healthcare services provided to a patient, including diagnoses, treatment, medical history, and other personal health information. Medical records are protected by both federal and state privacy laws, including the Health Insurance Portability and Accountability Act (HIPAA) and the California Confidentiality of Medical Information Act (CMIA).

Personnel Records: Documentation related to an individual's employment with SBHCD, including employment contracts, performance evaluations, disciplinary records, payroll information, and

other data concerning the employee's work history. California Labor Code Section 1198.5 governs employee rights to inspect and receive copies of personnel records.

Authorization: A written consent from a patient or employee that grants permission for the disclosure of their medical or personnel records in response to a subpoena. Authorization must meet specific legal criteria under HIPAA and CMIA to be valid.

Court Order: A directive issued by a judge or legal authority requiring the production of records or other actions. Court orders override typical requirements for patient or employee consent in the release of medical or personnel records.

Legal Counsel: The attorney or legal team representing SBHCD, responsible for advising on legal matters, including the review of subpoenas, court orders, and other legal documents to ensure compliance with California law and protecting SBHCD's legal interests.

PROCEDURE

Acceptance of Complaints and Summons

All complaints and summons naming SBHCD must be accepted by Human Resources. No employee, apart from designated personnel, is authorized to accept such legal documents. Process servers presenting complaints or summons must be directed to Human Resources, where they will be reviewed, logged, and forwarded to the appropriate department and/or legal counsel for further action.

Subpoenas for Medical Records

Subpoenas requesting medical records are to be directed to the Medical Records Department.

The Medical Records Department is responsible for reviewing each subpoena to ensure it complies with the California Evidence Code Section 1560, which requires that medical records be produced under specific conditions.

If the subpoena is valid, the Medical Records Department will gather and produce the requested records in a manner that complies with the Health Insurance Portability and Accountability Act (HIPAA) and California's Confidentiality of Medical Information Act (CMIA).

A patient's written authorization or a valid court order is required before releasing any records unless otherwise stipulated by law.

Subpoenas for Personnel Records

Subpoenas for personnel records must be directed to the Human Resources Department.

The Human Resources Department will review the subpoena to ensure it meets the legal requirements of the California Labor Code Section 1198.5 and Section 432. Records may only be produced after careful validation of the subpoena's legal sufficiency.

Personnel records will not be released without written employee consent unless legally mandated or pursuant to a valid court order.

Personal Summons and Subpoenas for Employees

If a subpoena or other legal documents are served on an employee while on SBHCD premises, the process server must be directed to the Human Resources Department.

Employees are strictly prohibited from disclosing any information about other employees, including their status, schedule, or contact details. All such inquiries must be referred to the Human Resources Department to esnure the confidentiality and privacy of all employees in alignment with our privacy policies and practices.

Employees may not be personally served in their work units or during active work hours. The Human Resources Department will coordinate the service of legal documents in a way that minimizes workplace disruption and protects employee privacy.

The Human Resources Department will provide guidance to the employee on their legal rights and obligations under the California Code of Civil Procedure, if applicable.

Personal Summons and Subpoenas for Physicians

If a subpoena or other legal documents are served on a physician while on SBHCD premises, the process server must be directed to the Medical Staff Services Department or the Human Resources Department, if Medical Staff Services is unavailable.

Employees are strictly prohibited from disclosing any information about physicians, including their status, schedule, or contact details. All such inquiries must be referred to the Medcial Staff Services Department to ensure the confidentiality and privacy of all physicians in alignment with our privacy policies and practices.

Phyisicians may not be personally served in their work units or during active work hours. The Medical Staff Services Department will coordinate the service of legal documents in a way that minimizes workplace disruption and protects employee privacy.

The Medical Staff Services Department will provide guidance to the employee on their legal rights and obligations under the California Code of Civil Procedure, if applicable.

Processing of Subpoenas

Each subpoena or legal document will be logged by the Human Resources Department upon receipt, including the date, time, and nature of the document.

The responsible department (Administration, Risk, Medical Records, Medical Staff Services, or Human Resources) will verify the validity of the subpoena, ensuring compliance with California Code of Civil Procedure Sections 1985-1997 (governing the issuance and scope of subpoenas).

Responses to subpoenas will be documented by the appropriate department, including records provided and the timeline of compliance. A copy of the subpoena and all correspondence will be retained in the appropriate department's files for legal and audit purposes.

Notification and Legal Review

All subpoenas involving sensitive information, such as medical records or personnel files, will be forwarded to SBHCD's legal counsel for review prior to the release of any documents.

Legal counsel will advise on compliance with applicable laws, including HIPAA, CMIA, and the California Labor Code, as well as any grounds for objection or modification of the subpoena.

If any subpoena is contested or if legal counsel advises non-compliance, the appropriate legal objections or motions will be filed with the court as required by California law.

Confidentiality and Privacy

SBHCD is committed to maintaining the confidentiality of medical records and personnel information. All information disclosed pursuant to a subpoena must comply with federal and state privacy laws.

Medical information shall only be released with appropriate authorization, or pursuant to a court order, in compliance with HIPAA and California's CMIA.

Employee personnel records shall be treated as confidential, and only the necessary information shall be disclosed as required by law.

Training and Compliance

All employees responsible for handling subpoenas, complaints, and summons will receive annual training on proper procedures, as well as relevant legal requirements under California law.

Compliance with this policy will be monitored through internal audits, and any breaches of protocol will be reviewed for corrective action.

REFERENCES

California Evidence Code Section 1560

California Code of Civil Procedure Sections 1985-1997

California Confidentiality of Medical Information Act (CMIA)

California Labor Code Sections 1198.5 and 432

Tartala, Drew
(11/14/2024) Policy & Procedure Committee, (Not yet approved) Board of Directors,
[01/01/1990], [09/02/2019], [06/02/2022], [10/16/2024]
[09/01/2009], [12/01/2012], [09/01/2019], [03/01/2021], [06/01/2022], [10/10/2024]

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RESOLUTION NO. 2024 -12

A RESOLUTION FIXING THE TIMES AND DATES OF THE REGULAR MEETINGS OF THE SAN BENITO HEALTH CARE DISTRICT BOARD OF DIRECTORS, FROM FEBRUARY 27, 2025 THROUGH JANUARY 22, 2026

WHEREAS, the practice of meeting once a month at five o'clock p.m. is valuable and required according to SBHCD Bylaws Article VIIIA.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN BENITO HEALTH CARE DISTRICT that the times for holding regular meetings of the Board of Directors for the San Benito Health Care District beginning Thursday, February 22, 2024, be and the same are hereby fixed at five o'clock p.m., on each of the following days, to wit:

2025 THURSDAY	2026 THURSDAY
February 27	January 22
March 27	
April 24	
May 22	
June 26	
July 24	
August 28	
September 25	
October 23	
November 20	
December 18	

The Board of Directors for the San Benito Health Care District Has fixed 5:00 p.m. on each of the following days: San Benito Health Care District Resolution No. 2024-12 December 19, 2024 Page 2

BE IT FURTHER RESOLVED that nothing in this resolution shall be construed as preventing the calling of a special meeting of the Board of Directors of the San Benito Health Care District at any time as provided by the Ralph M. Brown Act and the laws of the State of California.

BE IT FINALLY RESOLVED that the special rule be, and hereby is adopted, to the effect that when there is a complex question or matter embracing more than one question before the Board for consideration, any board member, as a right, may demand the division of such questions.

PASSED BY THE BOARD OF DIRECTORS this 19th day of December 2023, by the following vote:

	Johnson	Pack	Sanchez	Angelo	Gabriel
Ayes					
Noes					
Abstain					
Absent					

Board President Board of Directors San Benito Health Care District

RESOLUTION NO 2024-12

RESOLUTION NO. 2024-13

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

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

WHEREAS, the Board of Directors adopted a Conflict of Interest Code (the "Code") in compliance with the Act, which was amended December 5, 2024, and

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

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

WHEREAS, a public meeting was held upon the proposed amended Code at a regular meeting of the Board of Directors on December 19, 2024, at which all present were given an opportunity to be heard on the proposed amended Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Benito Healthcare District that the Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the Executive Assistant and available to the public for inspection and copying during regular business hours;

BE IT FURTHER RESOLVED that the said amended Code shall be submitted to the Board of Supervisors of the County of San Benito for approval and said Code shall become effective immediately upon approval by the Board of Supervisors of the proposed amended Code as submitted. APPROVED AND ADOPTED this 19th day of December, 2024.

President, Board of Directors San Benito Health Care District

ATTEST:

Secretary, Board of Directors San Benito Health Care District



FOR IMMEDIATE RELEASE

PRESS RELEASE

PR CONTACT: Marcus Young Hazel Hawkins Memorial Hospital Phone: (831) 636-2644 Email: Marcus@wearejsa.com

San Benito Health Care District Outlines Next Steps for Hazel Hawkins Memorial Hospital and Insight as Negotiations Continue

Hollister, Calif. – December 10, 2024 – The San Benito Health Care District (District) announced the next steps in the ongoing process to finalize the lease-to-own transaction between Hazel Hawkins Memorial Hospital (HHMH) and Insight. While significant progress has been made, there is still important work ahead to complete the transaction. The six key steps are set forth below:

Step 1: Finalizing Definitive Agreements

Advisors and staff, acting under the direction of the District Board, are currently negotiating definitive agreements with Insight. These agreements include the asset purchase agreement, the lease, and supporting documents.

Step 2: Filing Applications with the State

Simultaneously, advisors and staff are preparing the necessary filings for the state regulatory approvals. This includes applications related to the change in ownership of hospital assets, such as the hospital license.

Step 3: Presentation of Agreements to the Board

Once draft agreements are finalized, they will be presented to the Board for review, discussion, and approval. This review will take place during a noticed public meeting. Community members are encouraged to attend and comment.

Step 4: Board Approval and Submission of Regulatory Filings

Once the Board approves the agreements, HHMH will execute the agreements and submit the required documents to state regulatory agencies for review.

Step 5: Regulatory Review and Approval

Regulators will review the submitted agreements and filings to ensure compliance and approve the transaction. The review and approval process in similar transactions typically takes between three and four months.

Step 6: Transaction Close and Insight's Management Transition

Upon receiving regulatory approvals, the transaction will be complete, and Insight will officially assume management of HHMH pursuant to the lease.

This structured approach reflects the District's commitment to transparency and collaboration as it works to secure the future of Hazel Hawkins Memorial Hospital. The District remains dedicated to keeping the community informed throughout this process.

#

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.

HUMAN	RESOURCES	DASHBOARD	2024
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DEPARTMENTAL METRICS	September	October	November	YTD(Jan-Nov)
# Employees	690	697	702	685
# New Hires	17	17	8	145
# Terminations	8	10	7	105
Overall Turnover	1.2%	1.4%	1.0%	15.3%
Nursing Turnover	1.5%	0.0%	0.0%	13.9%
Terms By Union	September	October	November	YTD(Jan-Nov)
The California Nurses Association (CNA)	2	0	0	18
National Union of Healthcare Workers (NUHW)	4	7	5	62
California License Vocational Nurses (CLVN)	0	2	0	6
Engineers and Scientists of California (ESC)	0	1	0	2
Non-Union	2	0	2	17
Terms By Reason (V=Voluntary & IV= Involuntary)	September	October	November	YTD(Jan-Nov)
ersonal (V)	1	4	1	22
				16
ew Opportunity(V)	4	3	2	10
ew Opportunity(V) etirement (V)	4	3	2	13
etirement (V)	0	1	1	13
etirement (V) chedule (V)	0	1	1	13 5
etirement (V) chedule (V) ob Abandonment (V) o Reason Given (V)	0	1 1 0	1 0 0	13 5 3
etirement (V) chedule (V) ob Abandonment (V)	0 1 0 0	1 1 0 0	1 0 0	13 5 3 14
etirement (V) chedule (V) ob Abandonment (V) o Reason Given (V) elocating (V) chool (V)	0 1 0 0	1 1 0 0	1 0 0 0	13 5 3 14 6
etirement (V) chedule (V) ob Abandonment (V) o Reason Given (V) elocating (V)	0 1 0 0 0	1 1 0 0 0 1	1 0 0 0 1 0	13 5 3 14 6 6

BOARD OF DIRECTORS DISTRICT FACILITIES & SERVICE DEVELOPMENT COMMITTEE

Monday, December 16, 2024 4:00 P.M. – Great Room

MINUTES

I. CALL TO ORDER/ROLL CALL:

Bill Johnson called the meeting of the District's Facilities & Service Development Committee to order at 4:02p.m.

COMMITTEE MEMBERS:

Bill Johnson, Board of Director	in Attendance
Josie Sanchez, Board of Director	in Attendance
Mary Casillas, VP, Chief Executive Officer	in Attendance
Mark Robinson, VP, Chief Finance Officer	in Attendance
Amy Breen-Lema, VP, Clinics, Ambulatory & Physicians Services	in Attendance
Karen Descent, VP Chief Nursing Officer	in Attendance
Suzie Mays, VP Information & Strategic Services	in Attendance
Doug Mays, Senior Director, Support Services	in Attendance
Tina Pulido, Facilities Administrative Support Supervisor	in Attendance
Jeff Houghton, Facilities Project Manager	in Attendance

II. APPROVAL OF MINUTES:

The minutes of the District's Facilities & Service Development Committee of April 18, 2024 were approved with a motion by Josie S. and second by Bill J.

III. UPDATE ON CURRENT PROJECTS:

- <u>HHH Autoclave Replacement (Jeff H.)</u> Jeff H. reported that revised drawings have been submitted to HCAI due to additional work that will need to be done. He anticipates construction to start the end of January beginning of February and completed within approximately two weeks. He noted that the old autoclave is still operational at this time.
- <u>HHH Boiler Replacement (Jeff H.)</u>

Jeff H. reported that after a recent field review by HCAI, they requested additional work to be done, the drawings have been updated and submitted to HCAI for review.

• HHH AHU S-2 Emergency Replacement (Jeff H.)

Jeff H. reported that the air handler that feeds part of the main OR department has failed. We have opened and emergency project with HCAI in order to repair it instead of replace it quickly to restore the air to that area. He is working with contracts on the repair and anticipates the proposals to come in after the holidays. We are also working with CDPH regarding the workflow of that area. Since this project has changed from a replacement to a repair, the project title will be changed to "Repair" instead of "Replacement".

- <u>HHH CT Scanner Replacement (Doug M.)</u> Doug M. reported that this project was added to the "current" project section by mistake, it will be moved to the "pending" project section.
- <u>HHH Lab Analyzer Interim Validation Phase 1 (Jeff H.)</u> Jeff H. reported that we are waiting for the TIO to be updated and submitted to HCAI, once submitted and approved, this project will be completed.

- <u>HHH Lab Analyzer Replacement Phase 2A & 2B (Jeff H.)</u> Jeff H. reported that we should be able to start the bidding process the beginning of January.
- <u>HHH OR Waiver (Jeff H.)</u>

Jeff H. and Mary C. reported that due to the current system in the main hospital OR's it's difficult to keep the humidity and temperature in compliance so we received a waiver from CDPH to use the ASC for all inpatient and outpatient surgeries. The waiver expires in January 2026. We are currently working with Stryker on a TI to bring them up to code.

IV. UPDATE ON PENDING PROJECTS:

- <u>HHH Lab Analyzer Replacement Phase 3 (Jeff H.)</u> Jeff H. reported that we are in the planning stages now with Treanor. Mary C. reported that per the Board's approval, we will be using an estimated six million dollars of the ten million dollar loan for the Lab remodel.
- <u>HHH Lab Analyzer Replacement Phase 4 (Jeff H.)</u> Jeff H. reported that we are in the planning stages now with Treanor. Mary C. reported that per the Board's approval, we will be using an estimated six million dollars of the ten million dollar loan for the Lab remodel.
- <u>Hugs Infant Alarm Upgrade (Jeff H.)</u> Jeff H. reported that in order to complete the Hugs project we will have to upgrade the hospital Wi-Fi network. Mary C. reported that the Wi-Fi project will be going to the Board for approval in January 2025.
- <u>HHH CT Scanner Replacement (Jeff H.)</u>

Jeff H. reported that we are working with Treanor regarding the replacement of our CT scanner. We will need to bring in a mobile CT before removing the old one. The mobile CT will require us to build a parking pad. Amy L. handed out a current list of Radiology equipment noting the installation date and end of service life dates. Both CT Scanners (Radiology and ED) are both past end of service life. Due to the state of the CT's they are recommending to change the Radiology CT first. We are also working with Treanor regarding a strategic plan for the rest of the equipment.

V. UPDATE ON MASTER PLAN:

<u>SPC-4d (Doug M.)</u> Doug M. reported the following:

- <u>Small and Rural Hospital Relief Program Application (PIN 71)</u> As of today, our grant application is still under staff review. HCAI is backlogged due to so many applications.
- <u>AB 1882/OSHPD PIN 75 Signage Requirements</u> There is one sign left under review with HCAI, once approved it will be posted.

VI. PUBLIC COMMENT:

There was no public comment.

VII. OTHER BUSINESS:

There was no other business.

VII. ADJOURNMENT:

There being no further business, the meeting was adjourned at 4:27 PM. The next Facilities Committee meeting is scheduled for January 16, 2025.



REGULAR MEETING OF THE FINANCE COMMITTEE SAN BENITO HEALTH CARE DISTRICT 911 SUNSET DRIVE, HOLLISTER, CALIFORNIA MONDAY, DECEMBER 16, 2024 - 4:30 P.M. SUPPORT SERVICES BUILDING, 2ND FLOOR – GREAT ROOM

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

- 1. Call to Order
- 2. Review Financial Updates
 - Financial Statements November 2024
 - Finance Dashboard November 2024
 - Supplemental Payments November 2024
- 3. Review Audited Financial Statements FYE June 30, 2024
- 4. 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.

5. Adjournment

The next Finance Committee meeting is scheduled for Thursday, January 16, 2025 at 4:30 p.m.

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



<u>Notes</u>: 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.



San Benito Health Care District

December 19, 2024

CFO Financial Summary for the District Board:

For the month ending November 30, 2024, the District's Net Surplus (Loss) is \$1,407,099 compared to a budgeted Surplus (Loss) of \$685,733. The District exceeded its budget for the month by \$721,366.

San Benito Health Care District

A Public Agency 911 Sunset Drive

(831) 637-5711

Hollister, CA 95023-5695

YTD as of November 30, 2024, the District's Net Surplus (Loss) is \$7,849,435 compared to a budgeted Surplus (Loss) of \$1,976,808. The District is exceeding its budget YTD by \$5,872,627.

Acute discharges were 164 for the month, slightly under budget by 5 discharges or 3%. The ADC was 13.50 compared to a budget of 15.15. The ALOS was 2.47. The acute I/P gross revenue exceeded budget by **\$401,640** while O/P services gross revenue was **\$518,631** or 2% over budget. ER I/P visits were 123 and ER O/P visits were under budget by 45 visits or 2%. The RHCs & Specialty Clinics treated 3,227 (includes 443 visits at the Diabetes Clinic) and 944 visits respectively.

Other Operating revenue exceeded budget by **\$567,124** due to \$300,000 and \$103,600 payments from CCAH for SNF contracting and quarterly HQIP respectively. In addition, the District received \$202,984 from DHHS grant.

Operating Expenses were over budget by **\$638,984** due mainly to: Registry of \$299,093 and Purchase Services of \$194,584. In addition, Interest expense was over \$231,110 over budget due to the settlement of the CY 2020 Employer FICA withhold. These overages were slightly offset by Professional Fees being \$171,446 under budget.

Non-operating Revenue was slightly under budget by \$3,128 due to the timing of donations.

The SNFs ADC was **85.30** for the month. The Net Surplus (Loss) is \$182,181 compared to a budget of \$105,518. YTD, the Net Surplus (Loss) is \$566,862 exceeding its budget by \$169,415.

Date: 12/13/24 © 1531 User: SDILAURA										R	PAGE 1
		ВЪ	HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED ROLLISTER, CA 95023 FOR PERIOD 11/30/24	NS MEMORIAL HOSPITAL HOLLISTER, CA 95023 FOR FERIOD 11/30/24	- COMBINED						
	ACTUAL 11/30/24	BUDGET 11/30/24	-CURRENT MONTH POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 11/30/23	ACTUAL 11/30/24	BUDGET 11/30/24	YEAR-TO-DATE POS/NEG F VARIANCE V	PERCENT VARIANCE	РRIOR YR 11/30/23	-
GROSS PATIENT REVENUE: ACUTE ROUTINE REVENUE SNF ROUTINE REVENUE AUCTILARY INPATIENT REVENUE	3,147,664 1,926,150 4,242,009	3,180,466 1,916,278 3,699,366	(32,802) 9,872 542,643	(1) 11	3,180,464 2,141,400 3,651,191	17,852,674 9,800,310 22,075,446	15,536,086 9,633,102 18,817,738	2,316,588 167,208 3,257,708	15 1 1	15,536,079 11,140,558 18,827,680	
TOTAL GROSS INPARIENT REVENUE	9,315,823	0 8,796,110	0 519,713	o o	150,527 9,123,582	49,728,429	43,986,926	0 5,741,503	0 EL	706,504 46,210,920	
ANCILLARY OUTPATIENT REVENUE HOSPITALIST\PEDS O\P REVENUE	28,090,906 0	27,572,275 0	518,631 0	0 7	27,031,632 68,100	144,740,633 0	137,194,999 0	7,545,634	0 0	134,504,907 293,179	
TOTAL GROSS OUTPATIENT REVENUE	28,090,906	27,572,275	518, 631	2	27,099,731	144,740,633	137,194,999	7, 545, 634	9	134,798,086	
TOTAL GROSS PATIENT REVENUE	37,406,729	36,368,385	1,038,344	m	36, 223, 313	194,469,062	181,181,925	13,287,137	٢	181,009,006	
DEDUCTIONS FROM REVENUE: MEDICARE CONTRACTUAL ALLOWANCES MEDI-CAL CONTRACTUAL ALLOWANCES BAD DEF EXPENSE CHARITY CARE OTHER CONTRACTUALS AND ADJUSTMENTS HOSPITALIST\PEDS CONTRACTUAL ALLOW	9,163,147 10,166,116 861,408 111818 4,556,367	9,868,548 9,82,095 518,107 38,611 4,295,511	(705,401) 384,021 343,021 (26,856 260,856	(7) 66 65 65	8,865,632 10,534,169 695,471 48,758 4,845,860 (8,457)	52,056,776 49,992,634 3,914,984 156,988 156,388 23,211,423	49,148,324 48,707,213 2,579,712 192,712 21,384,037 21,384,030	2,908,452 1,285,421 1,235,272 (35,892) 1,827,386	6 6 € 6 € 6 0	47,880,916 51,731,445 3,366,157 269,573 21,978,574 8,310	
TOTAL DEDUCTIONS FROM REVENUE	24,758,857	24,502,879	255, 978	l	24,981,432	129,232,204	122,011,566	7,220,638	9	125, 235, 325	
NET PATIENT REVENUE OTHER OPERATING REVENUE	12,647,873 1,115,005	11,865,506 547,881	782,367 567,124	104	11,241,882 558,466	65,236,858 3,655,409	59,170,359 2,739,405	6,066,499 916,004	33	55,773,681 2,793,144	
MET OPERATING REVENUE	13,762,877	12,413,387	1,349,490	II	11,800,348	68,892,267	61,909,764	6,982,503	11	58,566,825	
OPERATING EXPENSES: SALARIES & WAGES REGISTRY RUGISTRY BMPLOYEE BENEFITS PROFESSIONAL FEES SUPPLIES PURCHASED SERVICES RENTAL	5,032,663 544,096 2,168,B18 1,431,389 1,070,904 1,070,904 138,260	5,006,828 2,28,877 2,20,959 1,602,929 998,469 1,114,480 145,342	25,835 315,219 (32,141) (171,540) 72,435 172,780 (7,156)	L 138 (11) (11) 7 7 5 (5)	4,648,114 300,284 2,068,662 1,696,648 1,049,815 953,691 147,796 331,7796	24,908,502 2,556,045 10,932,244 7,667,416 5,291,100 6,572,542 765,981	25,546,676 1,147,271 11,534,060 8,174,497 4,911,698 5,63,826 5,63,826 1,592,233	(638,175) 1,408,774 (605,816) (507,081) 379,402 888,716 24,748 24,748	123 (5) (5) (6) 16 3 3	23,390,351 1,345,571 10,289,044 7,845,163 5,021,591 5,229,532 679,940 1,639,940	
INTEREST OTHER	259, 074 446, 291	27,964 428,427	231,110 17,864	827 4	29,122 440,390	282,102 2,255,755	140,360 2,182,440	141,742 73,315	101 3	159,425 2,040,574	
TOTAL EXPENSES NET OPERATING INCOME (LOSS)	12,697,748 1,065,129	12,072,752 340,635	624,996 724,494	213	11,664,585 135,762	62,828,074 6,064,193	61,658,446 251,318	1,169,628 5,812,875	2,313	57,640,817 926,008	

Date: 12/13/24 © 1531 User: SDILAURA										PAGE
		ä	HAZEL HAWKINS MEMORIAL HOSFITAL - COMBINED EOLLISTER, CA 95023 FOR PERIOD 11/30/24	NS MEMORIAL HOSPITAL HOLLISTER, CA 95023 FOR PERIOD 11/30/24	L - COMBINED					
								YEAR-TO-DATE-		YEAR-TO-DATE-
	ACTUAL 11/30/24	BUDGET 11/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	FRIOR YR 11/30/23	ACTURL 11/30/24	BUDGRT 11/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	FRIOR YR 11/30/23
NON-OPERATING REVENUE/EXPENSE:							2			
DONATIONS	0	5,000	(2,000)	(100)	60,118	74,889	25,000	49,889	200	134,752
PROPERTY TAX REVENUE	241,122	241,122	0	0	205,711	1,205,610	1,205,610	Q	0	1,028,555
GO BOND PROP TAXES	175,915	175,915	0	0	170,388	879,574	879,575	(1)	0	851,939
GO BOND INT REVENUE/EXPENSE	(65,081)	(65,081)	0	0	(68,721)	(325,407)	(325,405)	(2)	0	(343,605)
OTHER NON-OPER REVENUE	16,818	15,908	910	9	15,401	79,843	79,540	303	0	91,512
OTHER NON-OPER EXPENSE	(27,767)	(27,766)	(7)	0	(33,747)	(139,010)	(138,830)	(180)	0	(164,769)
INVESTMENT INCOME	964	0	964		0	9,743	0	9,743		(4,209)
COLLABORATION CONTRIBUTIONS	0	0	0	0	o	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/ (EXPENSE)	341,970	345,098	(3,128)	(1)	349,150	1,785,242	1,725,490	59, 752	4	1,594,175
NET SURPLUS (LOSS)	1,407,099	685,733	721,366	105	484,912	7,849,435	1,976,808	5,872,627	297	2,520,182
EBIDA	\$ 1,643,100	\$ 921,142	\$ 721,958	78.37%	\$ 748,066	\$ 9,030,666	\$ 3,153,853	\$ 5,876,813	186.33%	\$ 3,816,244
BBIDA MARGIN	11.94%	7.42%	4.52%	60.88%	6.34%	13.11%	5.09%	8.01%	157.31%	6.52%
OPERATING MARGIN	7.748	2.74%	5.00\$	182.02%	1.15%	8.80%	0.41%	8.40%	2,068.61%	1.58%
NET SURPLUS (LOSS) MARGIN	10.22%	5.52%	4.70%	85.07%	4.11\$	11.39%	3.19%	8.20%	256.83%	4.30%

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Da	Date: 12/13/24 @ 1534 User: SDILAURA										PAGE	-
	-		HAZEL	HAZEL HAWKINS MEMORIAL HOSPITAL HOLLISTER, CA 951 FOR FERIOD 11/30/	24	ACUTE FACILITY						
		 ACTUAL 11/30/24	вирдат 11/30/24	-CURRENT MONTE POS/NEG VARIANCE	PERCENT VARIANCE		 ACTUAL 11/30/24	BUDGET 11/30/24	YEAR-TO-DATE- POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 11/30/23	
	GROSS PATIENT REVENUE:											
	ROUTINE REVENUE ANCILLARY INPATIENT REVENUE HOSPITALIST I\P REVENUE	3,147,664 3,817,613 0	3,180,466 3,383,170 0	(32,802) 434,443 0	(1) 13 0	3,180,464 3,383,166 150,527	17,852,674 20,359,144 0	15,536,086 17,228,239 0	2,316,588 3,130,905 0	15 18 0	15,536,079 17,228,236 706,604	
	TOTAL GROSS INPATIENT REVENUE	6,965,276	6, 563, 636	401,640	Ø	6,714,157	38,211,818	32,764,325	5,447,493	17	33,470,919	
	ANCILLARY OUTPATIENT REVENUE HOSPITALIST O\P REVENUE	28,090,906 0	27,572,275 0	518, 631 0	0 0	27,031,632 68,100	144,740,633 0	137,194,999 0	7,545,634	0 0	134,504,907 293,179	
	TOTAL GROSS OUTPATIENT REVENUE	28,090,906	27,572,275	518,631	2	27,099,731	144,740,633	137,194,999	7,545,634	9	134,798,086	
	TOTAL GROSS ACUTE PATIENT REVENUE	35,056,183	34,135,911	920,272	^m	33, 813, 888	182,952,450	169,959,324	12,993,126	σ	168,269,005	
	DEDUCTIONS FROM REVENUE ACUTE:											
				1011 1011	107	720 JF0 0	60 015 147	117 705 FFF 84	CAA EAT C	ų	47 N75 NN5	
_	MEDICARE CONTRACTUAL ALLOWANCES MEDI-CAL CONTRACTUAL ALLOWANCES	8,865,869 10,086,795	9,662,337 9,661,668	(796,469) 425,127	(8) 4	9,917,242	49,516,332	48,101,829	1,414,503	o m	50,915,307	
	BAD DEBT EXPENSE CHARTTY FADE	862,401 11.818	513,107 38.618	349,294 (26,801)	68 (69)	692,674 48.758	3,853,022 156.388	2,554,712 192,280	1,298,310 (35,892)	51 (19)	3,281,068 269,923	
	OTHER CONTRACTUALS AND ADJUSTMENTS	4,513,586	4,264,157	249,429	9	4,775,110	23,055,063	21,226,423	1,828,640	5	21,769,145	
	HOSPITALIST\PEDS CONTRACTUAL ALLOW	o	0	0/	0	(8,457)	0	0	o	0	8,310	
-	TOTAL ACUTE DEDUCTIONS FROM REVENUE	24,340,468	24,139,887	200,581	F	24,500,404	127,395,952	120,186,949	7,209,003	0	123,268,757	
	NET ACUTE PATIENT REVENUE	10,715,715	9,996,024	719,691	L	9,313,484	55,556,499	49,772,375	5,784,124	12	45,000,248	
	OTHER OPERATING REVENUE	1,115,005	547,881	567,124	104	558,466	3,655,409	2,739,405	916,004	33	2,793,144	
	NET ACUTE OPERATING REVENUE	11,830,719	10,543,905	1,286,814	12	9,871,950	59,211,908	52,511,780	6,700,128	13	47,793,392	
	OPERATING EXPENSES:											
-	SALARTES & WAGES	4.031.937	4,026,177	5,760	0	3,729,928	19,805,335	20,542,356	(737,021)	(4)	18,584,984	
	REGISTRY	499, 093	200,000	299,093	150	287,917	2,314,573	1,000,000	1,314,573 (487 124)	132	1,228,745 7 899 907	
-	EMPLOYEE BENEFITS	1,687,089 1.429.179	1,696,200 1.600.625	(171.446)	(11)	1,694,038	a,400,030 7,656,366	8,162,743	(506,377)	(9)	7,834,113	
-	SUPPLIES	989, 177	902,853	86,324	10	950,963	4,815,198	4,432,072	383,126	6	4,527,776	
20	PURCHASED SERVICES	1,222,657 FCT RFT	1,028,073	194,584 (9.160)	19 (6)	880,369 146,767	6,109,447 757,352	735,833	21,519	ΎΕ.	±, 011, 100	
	DEPRECIATION & AMORT	281,523	278,940	2,583	ч	291,617	1,402,146	1,394,700	7,446	1	1,442,472	
~ 7	INTEREST OTHER	259,074 382,940	27,964 373,693	231,110 9,247	827 3	29,122 386,403	282,102 1,956,069	140,360 1,903,577	141, /42 52,492	T E	1,802,606	
	TOTAL EXPENSES	10,917,792	10,278,808	638,984	9	9,966,628	53,564,678	52,508,009	1,056,669	8	48,966,382	
,	NET OPERATING INCOME (LOSS)	912,928	265, 097	647,831	244	(94,678)	5,647,230	3,771	5,643,459	149, 654	(1,172,990)	
_												L

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		HAZEI	4 HAWKINS MEMORI HOLLIS FOR P	MEMORIAL HOSPITAL - HOLLISTER, CA 95023 FOR PERIOD 11/30/24	HAZEL HAMKINS MEMORIAL HOSPITAL - ACUTE FACILITY BOLLISTER, CA 95023 FOR FERIOD 11/30/24	л				
		BUDGET 11/30/24	-CURRENT MONTH POS/NEG VARIANCE	PERCENT	PRIOR YR 11/30/23		BUDGET 11/30/24	YEAR-TO-DATE POS/NEG PERCENT VARJANCE VARJANCI	PERCENT VARIANCE	PRIOR YR 11/30/23
NON-OPERATING REVENUE\EXPENSE:	c	5 000	(2000)	(001)	60.118	74.889	25,000	49.889	200	134.752
PROPERTY TAX REVENUE	204,954	204,954	0	0	174,854	1,024,770	1,024,770	0	0	874,270
GO BOND PROP TAXES	175,915	175,915	0	0	170,388	879,574	879,575	(1)	0	851,939
GO BOND INT REVENUE EXPENSE	(65,081)	(65,081)	0	٥	(68,721)	(325,407)	(325,405)	(2)	0	(343,605)
OTHER NON-OPER REVENUE	16,818	15,908	016	9	15,401	79,843	79,540	303	0	91,512
OTHER NON-OPER EXPENSE	(21,578)	(21,578)	0	0	(26,460)	(108,069)	(107,890)	(119)	0	(128,331)
INVESTMENT INCOME	964	0	964		0	9,743	0	9,743		(4,209)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	°	•
TOTAL NON-OPERATING REVENUE/ (EXPENSE)	311,990	315,118	(3,128)	(T)	325,581	1,635,343	1,575,590	59, 753	4	1,476,328
NET SURPLUS (LOSS)	l,224,918	580,215	644,703	111	230,903	7,282,573	1,579,361	5,703,212	361	303,338

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		μ α	HAZEL HAMKINS SKILLED NURSING FACILITIES HOLLISTER, CA FOR PERIOD 11/30/24	INS SKILLED NURSING BOLLISTER, CA FOR PERIOD 11/30/24	FACILITIES						
		BUDGET 11/30/24	CURRENT MONTH POS/NEG VARIANCE	PERCENT VARIANCE	 PRIOR YR 11/30/23	 actual 11/30/24	BUDGET 11/30/24	YEAR-TO-DATE- POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 11/30/23	Ţ
GROSS SNF PATIENT REVENUE:											
ROUTINE SNF REVENUE ANCLLLARY SNF REVENUE	1,926,150 424,397	1,916,278 316,196	9,872 108,201	ក # ព	2,141,400 268,025	9,800,310 1,716,302	9,633,102 1,589,499	167,208 126,803	80 73	11,140,558 1,599,444	
TOTAL GROSS SNF PATIENT REVENUE	2,350,547	2,232,474	118,073	5	2,409,425	11,516,612	11,222,601	294,011	["	12,740,001	
DEDUCTIONS FROM REVENUE SNF:											
MEDICARE CONTRACTUAL ALLOWANCES	297,279	206,211	91,068	44	(209,446)	1,241,629	1,036,619	205,010	20	855,911	
MEDI-CAL CONTRACTUAL ALLOWANCES BAD DEBT EXPENSE	79,322 (993)	120,427 5,000	(41,106) (5,993)	(34) (120)	616,926 2,796	476,302 (38,038)	605,384 25,000	(129,082) (63,038)	(21) (252)	816,138 85,089	
CHARITY CARE OTHER CONTRACTUALS AND ADJUSTMENTS	0 42,782	0 31,354	0 11,428	96 36	0 70,751	0 156,360	0 157,614	0 (1,254)	0(1)	0 209,429	
TOTAL SNF DEDUCTIONS FROM REVENUE	418,389	362,992	55,397	15	481,028	1,836,253	1,824,617	11,636	I	1,966,568	
NET SNF PATIENT REVENUE	1,932,158	1,869,482	62,676	m	1,928,398	9,680,359	9,397,984	282,375	Г. Г.	10,773,433	
OTHER OPERATING REVENUE	0	0	o	0	o	0	0	0	0	0	
NET SNF OPERATING REVENUE	1,932,158	1,869,482	62,676	- m	1,928,398	9,680,359	9,397,984	282,375	m	10,773,433	
OPERATING EXPENSES: SALARIES & WAGES	1,000,726	980,651	20,075	7	918,186	5,103,167	5,004,320	98,847	N	4,805,366	
REGISTRY DMM AVAD DEMEGTIC	45,002	28,877	16,125 (23.029)	56 (5)	12,367 498.559	241,472 2.466.154	147,271 2,584,846	94,201 (118,692)	64 (5)	116,826 2,389,137	
PROFESSIONAL FEES	2,210	2,304	(94)	(4)	2,210	11,050	11,754	(704)	(9)	11,050	
SUPPLIES PURCHASED SERVICES	81,727 64,603	95,616 86,407	(13,889) (21,804)	(15)	98,852 73,322	475,902 463,095	479,626 440,672	(3, /24) 22, 423	(T) 2	433,814 418,072	
RENTAL	3,064 37 545	1,059 39 537	2,005	189 (5)	1,019 39,456	8,629 194.242	5,400 197.685	3,229 (3,443)	60 (2)	5,047 197,154	
DEFASCIANICON	0		0	0	0	0	0	0	0 0	0	
OTHER Mores	125,20 779,977 F	1.793.944	(13.987)	01 (I)	1,697,958	9,263,395	9,150,437	112,958		8,674,435	
NET OPERATING INCOME (LOSS)	152,201	75,538	76,663	102	230,440	416,963	247,547	169,416	68	2,098,998	
NON-OPERATING REVENUE\EXPENSE:											
DONATIONS	0	0	0 0	0 0			0 000	0 0	00	154.285	
PROPERTY TAX REVENUE OTHER NON-OPER EXPENSE	36, 168 (6, 198)	36,168 (6,188)	. 0	0 0	(1,288)	(30,941)	(30,940)	, (т)	0	(36,439)	
TOTAL NON-OPERATING REVENUE/ (EXPENSE)	29,980	29,980	0	0	23,569	149,899	149,900	(1)	0	117,846	
NET SURPLUS (LOSS)	182,181	105,518	76,663	73	254,009	566,862	397,447	169,415	43	2,216,844	

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		EMORIAL HOSPITAN	L		
	For the month	ended 11/30/24			
	CURR MONTH 11/30/24	PRIOR MONTH 10/31/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/24
CURRENT ASSETS					
CASH & CASH EQUIVALENT	28,965,393	28,974,708	(9,315)	0	35,145,624
PATIENT ACCOUNTS RECEIVABLE	68,749,405	67,555,667	1,193,738	2	67,848,785
BAD DEBT ALLOWANCE	(8,510,214)	(9,100,435)	590,221	(7)	(9,487,617)
CONTRACTUAL RESERVES	(46,461,814)	(46,022,149)	(439,665)	1	(46,279,766)
OTHER RECEIVABLES	8,274,282	8,989,863	(715,581)	(8)	5,931,344
INVENTORIES	4,463,881	4,501,004	(37,123)	(1)	4,496,070
PREPAID EXPENSES	2,483,837	2,673,218	(189,381)	(7)	1,775,026
DUE TO\FROM THIRD PARTIES	272,832	200,709	72,123	36	200,709
		FR 830 F84	465.018	1	59,630,175
TOTAL CURRENT ASSETS	58,237,601	57,772,584			
	**********	***********	************		
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	6,642,916	6,512,815	130,100	2	3,512,919
TOTAL LIMITED USE ASSETS	6,642,916	6,512,815	130,100	2	3,512,919

PROPERTY, PLANT, AND EQUIPMENT					
LAND & LAND IMPROVEMENTS	3,370,474	3,370,474	0	0	3,370,474
BLDGS & BLDG IMPROVEMENTS	100,098,374	100,098,374	0	0	100,098,374
EQUIPMENT	44,821,298	44,799,508	21,790	0	44,435,024
CONSTRUCTION IN PROGRESS	2,528,401	2,540,059	(11,658)	(1)	1,393,964
GROSS PROPERTY, PLANT, AND EQUIPMENT	150,818,547	150,808,415	10,132	0	149,297,836
ACCUMULATED DEPRECIATION	(96,079,231)	(95,745,420)	(333,810)	0	(94,409,166)
NET PROPERTY, PLANT, AND EQUIPMENT	54,739,316	55,062,995	(323,679)	(1)	54,888,670
	**********	**********	**********		
OTHER ASSETS	260 502	374,503	(5,911)	(2)	398,148
UNAMORTIZED LOAN COSTS	368,592 7,038,149	7,038,149	(5,511)	(2)	7,038,149
PENSION DEFERRED OUTFLOWS NET	7,038,149	7,038,149			
TOTAL OTHER ASSETS	7,406,741	7,412,652	(5,911)	0	7,436,297

		106 761 046	265,529	0	125,468,061
TOTAL UNRESTRICTED ASSETS	127,026,574	126,761,046	265,529		125,400,001
	************	************	**********		
RESTRICTED ASSETS	128,219	128,167	52	0	127,119
KPRIKTCIPN MODILD					e
TOTAL ASSETS	127,154,793	126,889,213	265,581	0	125,595,180

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	HOLLIS	MEMORIAL HOSPITAL STER, CA ended 11/30/24			
	CURR MONTH 11/30/24	PRIOR MONTH 10/31/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/24
CURRENT LIABILITIES	5 600 000	c 000 000	409,694	(7)	8,572,685
ACCOUNTS PAYABLE	5,690,209	6,099,903	(401,074)	16	5,824,977
ACCRUED PAYROLL	2,853,024	2,451,950 1,557,323	1,140,469	(73)	1,608,471
ACCRUED PAYROLL TAXES	416,854 5,908,947	5,682,196	(226,752)	4	6,695,829
ACCRUED BENEFITS	62,005	95,002	32,998	(35)	B9,559
OTHER ACCRUED EXPENSES	28,404	4,630	(23,775)	514	12,920
PATIENT REFUNDS PAYABLE	971,527	1,271,527	300,000	(24)	2,355,584
DUE TO\FROM THIRD PARTIES	1,026,499	901,164	(125,335)	14	611,755
OTHER CURRENT LIABILITIES	1,020,433		(125,555)		
TOTAL CURRENT LIABILITIES	16,957,469	18,063,695	1,106,226	(6)	25,771,780
	***********	***********	************	*********	
LONG-TERM DEBT	7 772 475	7 780 200	6,825	0	5,107,486
LEASES PAYABLE	7,773,475	7,780,300 31,628,041	28,520	0	31,742,121
BONDS PAYABLE	31,599,521	31,020,041			
TOTAL LONG TERM DEBT	39,372,996	39,408,341	35,345	0	36,849,607
	*********		**********		***********
OTHER LONG-TERM LIABILITIES		-		0	0
DEFERRED REVENUE	0	0	0	0	23,814,514
LONG-TERM PENSION LIABILITY	23,814,514	23,814,514			23, 814, 514
TOTAL OTHER LONG-TERM LIABILITIES	23,814,514	23,814,514	0	0	23,814,514
TOTAL OTHER BONG TERM PROPERTIES	**********	***********		*********	
TOTAL LIABILITIES	B0,144,979	81,286,550	1,141,570	(1)	86,435,901
NET ASSETS:			2	0	39,064,686
UNRESTRICTED FUND BALANCE	39,064,686	39,064,686	0 (52)	0	39,064,686 94,593
RESTRICTED FUND BALANCE	95,693	95,641	1 - 1	22	0
NET REVENUE/(EXPENSES)	7,849,435	6,442,336	(1,407,099)		1
TOTAL NET ASSETS	47,009,814	45,602,663	(1,407,151)	3	39,159,279
		**********		anneed of the second se	
				0	125 595 100
TOTAL LIABILITIES AND NET ASSETS	127,154,793	126,889,213	(265,581)	0	125,595,180
		************		sassenade	

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San Benito Health Care District Hazel Hawkins Memorial Hospital NOVEMBER 2024

Description	MTD Budget	MTD Actual	YTD Actual	YTD Budget	FYE Budget
Average Daily Census - Acute	15.15	13.50	14,68	13.91	14.90
Average Daily Census - SNF	84.03	85,30	85.17	82.79	85.00
Acute Length of Stay	2.69	2.47	2.65	2.91	2.90
<u>ER Visits:</u> Inpatient Outpatient Total	128 2,216 2,344	123 2,171 2,294	654 10/504 11,158	542 10,235 10,777	1,444 25,269 26,713
Days in Accounts Receivable	50.0	54.9	54.9	50.0	50.0
Productive Full-Time Equivalents	521.33	528.20	513.61	521.33	521.33
Net Patient Revenue	11,865,506	12,647,873	65,236,858	59,170,359	144,649,605
Payment-to-Charge Ratio	32.6%	33.8%	33,5%	32.7%	32.7%
Medicare Traditional Payor Mix	27.71%	28.01%	28.21%	28.95%	28.51%
Commercial Payor Mix	22.39%	23.68%	23,31%	21.73%	21.88%
Bad Debt % of Gross Revenue	1.42%	2.30%	1.96%	1.42%	1.42%
EBIDA EBIDA %	921,142 7.42%	1,643,100 11.94%	9,030,666 13.11%	3,153,853 5.09%	9,671,943 6.40%
Operating Margin	2.74%	7,74%	8,80%	0.41%	1.72%
Salaries, Wages, Registry & Benefits %: by Net Operating Revenue by Total Operating Expense	59.91% 61.60%	56.28% 61.00%	55.73% 61.11%	61.75% 62.01%	61.10% 62.15%
Bond Covenants:					
Debt Service Ratio	1.25	11.50	11.60	1.25	5.18
Current Ratio	1.50	3,43	3.43	1.50	2.00
Days Cash on hand	30.00	72.24	72,24	30.00	100.00
Met or Exceeded Target Within 10% of Target Not Within 10%				5	

Statement of Cash Flows Hazel Hawkins Memorial Hospital Hollister, CA Five months ending November 30, 2024			
	CASH FLOW	FLOW	COMMENTS
	Current Month 11/30/2024	Current Year-To-Date 11/30/2024	
CASH FLOWS FROM UPERATING ACTIVITIES: Adjustments to Reconcile Net Income (Loss) Provided by Oneration Activities	\$1,407,099	\$7,849,435	
Depreciation (Increase)/Decrease in Net Patient Accounts Receivable	333,810 (1,344,294)	1,670,065 (1,695,975)	
(Increase)/Decrease in Other Receivables (Increase)/Decrease in Inventories	715,581 37,123	(2,342,938) 32,189	
(Increase)/Decrease in Pre-Paid Expenses (Increase)/Decrease in Due From Third Parties	189,381 (72,123)	(708,812) (72,123)	
Increase/(Decrease) in Accounts Payable	(409,694)	(2,882,476)	
Increase/(Decrease) in Notes and Loans rayable Increase/(Decrease) in Accrued Payroll and Benefits	(512,644)	0 (4,950,452)	
Increase/(Decrease) in Accrued Expenses Increase/(Decrease) in Patient Refunds Pavable	(32,998) 23.775	(27, <mark>555)</mark> 15.486	
Increase/(Decrease) in Third Party Auances/Liabilities	(300,000)	(1,384,057)	
Increase/Lecreases in Outer Current Liabilities Net Cash Provided by Operating Activities:	(1,246,748)	414,745 (11,931,903)	Semi-Annual Int 2005 GO & 2021 Revenue Bonds
CASH FLOWS FROM INVESTING ACTIVITIES: Purchase of Property, Plant and Equipment (Increase)/Decrease in Limited Use Cash and Investments (Increase)/Decrease in other Limited Use Assets (Increase)/Decrease in Other Assets Net Cash Used by Investing Activities	(10,132) 0 (130,100) 5,911 (134,321)	(1,520,711) 0 (3,129,996) 29,555 (4,621,152)	Bond Principal & Int Payment - 2014 (2005) & 2021 Bonds Amortization
		1	
CASH FLOWS FROM FINANCING ACTIVITIES: Increase/(Decrease) in Capital Lease Debt Increase/(Decrease) in Bond Mortgage Debt Increase/(Decrease) in Other Long Term Liabilities Net Cash Used for Financing Activities	(6,825) (28,520) (35,345) (35,345)	2,665,989 (142,600) 2,523,389	2014 GO Principal & Refinancing of 2013 Bonds with 2021 Bonds
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	0	
Net Increase/(Decrease) in Cash	(9,315)	(6,180,231)	
Cash, Beginning of Period	28,974,708	35,145,624	
Cash, End of Period	\$28,965,393	\$28,965,393	ο\$
		AN THE CONTROL	
Cost per day to run the District	\$400,933	\$29,665,291	Budgeted Cash on Hand
Operational Days Cash on Hand	72.24	(\$699,898)	Variance

	Payor	Actual FY 2025	Actual FY 2024	Notes:
Intergovernmental Transfer Programs:				Requires District to fund program and wait for matching return.
- AB 113 Non-Designated Public Hospital (NDPH) SFY 2022/2023 Final Pavment SFY 2023/2024	DHCS	425,000	407,785	Paid on 04/17/24. \$156.525.63. funds rec'd in June. Exp. June 2025.
SFY 2023/2024 Interim SFY 2024/2025	DHCS	389,100	434,472	Paid on 04/24/24, \$506,883.51, funds rec'd in June. Exp. June 2025.
- SB 239 Hospital Quality Assurance Fund (HQAF) CY 2022	Anthem	•:	2,405,548	Net amount rec'd on November 1, 2023 check for CY 2022.
- SB 239 Hospital Quality Assurance Fund (HQAF) CY 2023	Anthem		2,432,278	IGT by March 22, 2024 of \$1,257,738, funds expected in May/June.
- SB 239 Hospital Quality Assurance Fund (HQAF) CY 2024	CCAH	2,425,000		Expected in May 2025.
- Rate Range Jan. 1, 2022 through Dec. 31, 2022	Anthem	Ĩ	1,025,179	IGT by Feb. 23, 2024 of \$472,508, funds expected in April/May.
- Rate Range Jan. 1, 2022 through Dec. 31, 2023	Anthem	656,068		Expected in December 2024.
- QIP PY 5 Settlement	Anthem	ř.	3,459,757	IGT by Feb. 16, 2024 of \$1,891,350.65, funds expected in April/May.
- QIP PY 6 Settlement	Anthem	3,450,000	ĩ	Expected in May 2025.
- QIP PY 4 1st Loan Repayment	District	120	(1,253,000)	Paid on 02/26/2024.
 - QIP PY 4 2nd Loan Repayment 	District	14	(1,222,438)	Paid on 04/08/2024.
- QIP PY 5 Loan Repayment	District	(3,090,086)	•	Due January 3, 2025.
IGT sub-total		4,255,082	7,689,581	
Non-Intergovernmental Transfer Programs:				Direct Payments.
- AB 915	DHCS	4,100,000	4,143,717	Received on March 11, 2024. Exp. June 2025.
- SB 239 Hospital Quality Assurance Fund (HQAF)	DHCS	1,069,577	1,069,577	Rec. Sep. 4, 2024.
- SB 239 Hospital Quality Assurance Fund (HQAF)	DHCS	Đ	3,208,731	1st, 2nd & 3rd Qtrs rec'd on 03/19/2024, 05/23/2024 & 06/27/2024.
- SB 239 Hospital Quality Assurance Fund (HQAF) VIII	DHCS	2,163,242		Expected to Rec. 3rd & 4th qtr payments by Jan. 2025
- SB 239 Hospital Quality Assurance Fund (HQAF) VIII	DHCS	2,163,242		Rec'd 1st & 2nd Qtr payments in November
 Distinct Part, Nursing Facility (DP/NF) 	20)k	Based on actual cost difference.
- Medi-Cal Disproportionate Share (DSH)	DHCS	606,651	1,452,877	Expected quarterly through June 30, 2025.
Non-IGT sub-total		10,102,712	9,874,903	
Program Grand Totals		14,357,794	17,564,484	
Total Received		3,839,470	18,970,344	
Total Pending		13,608,410	1,069,577	
Total Paid		(3,090,086)	(2,475,438)	
Net Supplemental Payments		14,357,794	17,564,484	

Hazel Hawkins Memorial Hospital Supplemental Payment Programs As of November 30, 2024, FYE June 30, 2025

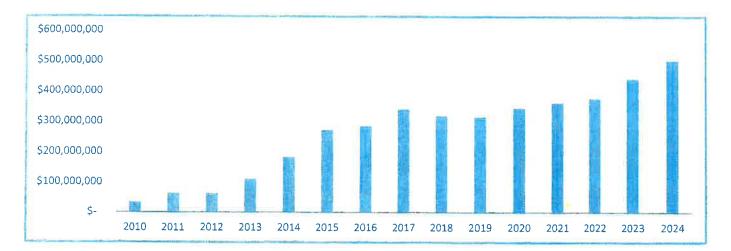
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2024 DHLF Value Statement: Aggregate Net Supplemental Funding for District/Municipal Hospitals, 2010-2024, Cash Basis

The District Hospital Leadership Forum (DHLF) represents district and municipal hospitals throughout California. The DHLF advocates for district/municipal hospitals to address issues related to Medicare/Medi-Cal programs, and since its inception, has helped promote access to public funding opportunities including the programs identified below.



	AB 113	HQAF	Rate Range	PRIME/QIP	DHDP**	TOTAL
2010		27,000,000	6,000,000			33,000,000
2011	36,000,000	18,000,000	10,000,000			64,000,000
2012	30,000,000	18,000,000	15,000,000			63,000,000
2013	30,000,000	26,000,000	55,000,000			111,000,000
2014	52,000,000	71,000,000	61,000,000			184,000,000
2015	38,000,000	73,000,000	62,000,000	100,000,000		273,000,000
2016	38,000,000	73,000,000	75,000,000	100,000,000		286,000,000
2017	35,000,000	108,000,000	100,000,000	100,000,000		343,000,000
2018	22,000,000	108,000,000	100,000,000	90,000,000		320,000,000
2019	17,000,000	108,000,000	115,000,000	76,500,000		316,500,000
2020	14,350,000	110,000,000	142,946,000	83,275,000		350,571,000
2021	13,170,000	107,600,000	147,420,000	93,250,000		361,440,000
2022	20,301,000	108,400,000	147,420,000	100,000,000		376,121,000
2023	23,840,000	108,480,000	205,810,000	103,930,000	* *	442,060,000
2024	44,723,609	123,640,789	236,285,629	96,488,8 <mark>16</mark>	**	501,138,843

*Excludes Medi-Cal DSH, AB 915 and DP/NF supplemental payments

**Excludes the District Hospital Directed Payment (DHDP) since the table reflects actual net benefit, based on a cash basis. The DHDP program went into effect for CY 2023 services, but supplemental revenue isn't expected to be distributed to hospitals until CY 2025.

Audited Financial Statements

SAN BENITO HEALTH CARE DISTRICT

dba: HAZEL HAWKINS MEMORIAL HOSPITAL

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June 30, 2024 and 2023

Audited Financial Statements

SAN BENITO HEALTH CARE DISTRICT

June 30, 2024

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Management's Discussion and Analysis

SAN BENITO HEALTH CARE DISTRICT

June 30, 2024

The management of the San Benito Health Care District (the Hospital) has prepared this annual discussion and analysis in order to provide an overview of the Hospital's performance for the fiscal year ended June 30, 2024 in accordance with the Governmental Accounting Standards Board Statement No. 34, *Basic Financials Statements; Management's Discussion and Analysis for State and Local Governments.* The intent of this document is to provide additional information on the Hospital's historical financial performance as a whole in addition to providing a prospective look at revenue growth, operating expenses, and capital development plans. This discussion should be reviewed in conjunction with the audited financial statements for the fiscal year ended June 30, 2024 and accompanying notes to the financial statements to enhance one's understanding of the Hospital's financial performance.

Financial Highlights

- Total assets and deferred outflows of resources increased by \$5,544,985 over the prior fiscal year due mainly to the increase in cash. Total operating cash and cash equivalents increased by \$21,492,104 over the prior year (see the *Statements of Cash Flows* for changes). Net patient accounts receivable decreased by \$1,657,749 which resulted in net days in patient accounts receivable of 29.42 at June 30, 2024 as compared to 32.88 in the prior year.
- Current assets increased by \$19,517,074 while current liabilities increased by \$6,274,669 over the prior fiscal year. The current ratio was 1.83 as compared to 1.60 for the prior year.
- The operating income was \$9,853,077 for fiscal year 2024 as compared to operating income of \$3,722,645 for the prior year, representing an increase of \$6,130,432 in operations due mainly to the increase in efficiency for the year.
- The increase in net position was \$15,617,272 for the current fiscal year as compared to an increase in net position of \$344,137 for the prior fiscal year. The pension adjustment for the year was a credit of \$1,424,210.
- Operating revenues decreased by \$4,331,246 from the prior year, however, operating expenses decreased by \$10,461,678 from the prior year due to a large decrease in employee benefits of \$9,373,791.
- The Hospital realized a \$1,424,210 credit in the pension adjustment for the year due the affects of the Plan being frozen early in the fiscal year.

SAN BENITO HEALTH CARE DISTRICT

Volumes

- Acute patient days were 5,513 for fiscal year 2024 as compared to 6,322 for the prior year. The average length of stay decreased from 2.97 days in fiscal year 2023 to 2.89 days in fiscal year 2024.
- The Northside skilled nursing facility had an average daily census (ADC) of 44.90 for the fiscal year 2024, equaling a total of 16,434 patient days as compared to 16,424 days (ADC of 45.00) for the prior year.
- The Mabie skilled nursing facility had an ADC of 44.17 for the fiscal year 2024, equaling a total of 16,165 patient days. The prior year ADC was 45.11 for a total of 16,466 patient days.
- Surgery cases for the fiscal year were slightly lower than the prior year. There were 2,067 cases as compared to 2,134 cases for the prior fiscal year.
- There was a decrease in outpatient visits; 133,797 in the fiscal year 2024 as compared to 160,515 for the prior fiscal year.
- There was an increase in emergency room visits; 26,793 in the fiscal year 2024 as compared to 25,132 for the prior year.
- There was a decrease in rural health care clinic visits; 45,657 visits in the year 2024 as compared to 49,496 visits for the prior year as the Hospital continues to operate five rural health care clinics.
- Physical therapy treatments increased to 21,781 in the year 2024 as compared to 20,654 in the prior year.
- Focus Physical Therapy treatments increased to 30,157 in the year 2024 as compared to 27,239 in the prior year.

Cash and Investments

For the fiscal year ended June 30, 2024, the Hospital's operating and board designated cash and investments totaled \$35,206,330 as compared to \$13,710,102 in fiscal year 2023. At June 30, 2024, days cash on hand were 90.08 thus meeting the required bond covenant of 30 days cash on hand. At June 30, 2023, days cash on hand were 32.63. The Hospital maintains sufficient cash and cash equivalent balances to pay all short-term liabilities.

Current Liabilities

As previously noted, current liabilities of the Hospital increased by \$6,274,669. Significant changes in the current liability categories were: (1) accounts payable and accrued expenses increased by \$3,830,176; (2) accrued payroll and related liabilities decreased by \$1,749,882; and (3) settlements increased by \$6,123,561.

SAN BENITO HEALTH CARE DISTRICT

Capital Assets

There were \$1,646,656 of new additions capital assets during the year in the categories of equipment and construction-in-progress consisting of eight different projects. Depreciation and amortization expense for the year was \$4,046,659 as compared to \$4,076,320 for the prior year. The Hospital has \$1,393,964 of remaining costs in construction in progress at year end with an estimated cost of approximately \$1 million left to complete all projects.

Gross Patient Charges

The Hospital charges all its patients equally based on its established pricing structure for the services rendered. Total combined charges of both inpatient and outpatient gross patient charges for the year increased by \$33,918,112 due to changes in volumes from the prior year coupled with rate increases. In just the outpatient areas, gross charges increased by \$47,191,423 as charges decreased by \$13,273,311.

Deductions From Revenue

Deductions from revenue are comprised of contractual allowances and provisions for bad debts. Contractual allowances are computed deductions based on the difference between gross charges and the contractually agreed upon rates of reimbursement with third party government-based programs such as Medicare and Medi-Cal and other third party payors such as Blue Cross.

Contractual allowances, traditional charity care, the provision for bad debts, and other discounts for fiscal year 2024 and fiscal year 2023 were \$294,934,103 and \$258,377,580, respectively. The increase in these deductions from revenue continues to be affected by State supplemental payments as well as the Hospital's change to a Critical Access (CAH) designation for Medicare reimbursement. Deductions from revenue (contractual allowances, provision for bad debts, charity, etc.) as a percentage of gross patient charges were 66.30% for fiscal year 2024 as compared to 62.88% for prior fiscal year.

Net Patient Service Revenues

Net patient service revenues are the resulting difference between gross patient charges and the deductions from revenue. Net patient service revenues decreased by \$2,638,411 in fiscal year 2024 over the prior year.

SAN BENITO HEALTH CARE DISTRICT

Critical Access Designation

During the prior fiscal years, the acute hospital's average daily census was between 16 to 16.5. Therefore, the Hospital decided to apply for certification as a Critical Access Hospital (CAH). Effective March 26, 2020, CMS designated the Hospital as a CAH. This change in designation has increased Medicare funding and the reimbursement to the Hospital substantially during the year. The average daily acute care patient as of June 30, 2024 and 2023 were 15.10 and 17.32, respectively

Operating Expenses

Total operating expenses were \$145,033,401 for fiscal year 2024 compared to \$155,495,079 for the prior fiscal year, a decrease of \$10,461,678. The decrease is due primarily to:

- A \$9,373,791 decrease in employee benefits due to changes in the pension plan. Paid full time equivalents (FTE's) decreased from 546.16 in fiscal year 2023 to 504.66 in fiscal year 2024. Productive FTE's were 488.71 in 2023 and 467.90 in 2024. Salaries and benefits per paid FTE decreased from \$168,849 per FTE in 2023 to \$163,062 per FTE in 2024. Registry expense increased only slightly from \$4,217,289 in 2023 to \$4,548,252 in 2024.
- Other operational expense changes experienced modest increases and decreases and were somewhat comparable with prior year expenses. There were generally mostly decreases in expenses throughout the various categories.

Bankruptcy Proceedings

On May 23, 2023 the Hospital filed a voluntary petition for relief under Chapter 9 of title 11 of the United States Code (the Bankruptcy Code). The Hospital is represented by legal counsel in a pending reorganization under Chapter 9 of Title 11 United States Code (the Bankruptcy Code) in the United States Bankruptcy Court - Northern District of California - San Jose Division. The purpose of the Hospital's plan of reorganization is to restructure certain classifications of the Hospital's debt and provide for their payment in whole or part. Certain debt may be susceptible to being discharged or rendered unenforceable. The ultimate success of the plan will depend primarily on the ability of the Hospital's management to operate the hospital at a level of increased cash flows and thereby generate sufficient cash flows, coupled with Hospital property taxes, to meet their obligations in the normal course of hospital operations.

Hospital management is continuing a program of cost reductions and revenue enhancement which it believes will result in improved cash flows. The District is working towards exiting the Chapter 9 process while an appeal is pending. It is also actively working toward a partnership, lease or sale with another entity that can continue providing quality care to the residents of San Benito County.

SAN BENITO HEALTH CARE DISTRICT

Economic Factors and Next Fiscal Year's Budget

The Hospital's board approved the fiscal year ending June 30, 2025 budget at a recent District board meeting. For fiscal year 2025, the Hospital is budgeted to increase net position.

The District's 2025 budget reflects the trend of non-growth in the acute inpatient census for the year. The SNF's will need to steadily increase their census in order to meet an ADC of 85 for 2025. The District has projected an increase of \$6.87 million for 2025 in net position which will allow them to continue to meet their Cal-Mortgage Bond requirements.

In order to increase the number of inpatients at the acute facility, the Hospital is continuing its search for physicians and specialists. New primary care physicians are also being recruited in order to increase outpatient referrals.

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership 7797 East Herndon, Suite 101#111, Fresno, California 93720 763 West Lighthouse Drive, Saratoga Springs, Utah 84045 Cell: (559) 287-6591 Email: rjctcpa@aol.com

Report of Independent Auditors

The Board of Directors San Benito Health Care District Hollister, California

Opinion

We have audited the accompanying financial statements of the San Benito Health Care District, *dba* Hazel Hawkins Memorial Hospital (the Hospital) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Hospital's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of June 30, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Hospital and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hospital's ability to continue as a going concern.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Emphasis of Matter - GASB 96 and GASB 87

As discussed in Note A, the Hospital analyzed GASB 96 for year fiscal year ended June 30, 2023 and GASB 87 for the fiscal year ended June 30, 2022. As discussed in Note A, after analysis, GASB 96 had no impact on the Hospital's financial presentation. Also discussed in Note A, the Hospital adopted GASB 87 for the year beginning July 1, 2021 and ending June 30, 2022. Our opinion is not modified with respect to this matter.

Emphasis of Matter - Bankruptcy Uncertainties

As more fully described in Note P, on May 23, 2023, the Hospital filed a voluntary petition for relief under Chapter 9 of title 11 of the United States Code (the Bankruptcy Code). The Hospital has incurred negative cash flows from hospital operations and was unable to meet certain of its future obligations. These conditions raised substantial doubt about the Hospital's ability to continue hospital operations in the future. The Hospital's plans in regard to these matters are also more fully described in Note P. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that resulted from the inability of the Hospital to meet its obligations from continued hospital operations.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America *Government Auditing Standards*, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Schedule

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In our opinion, the supplementary schedule as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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Other Reporting Required by Governmental Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2024, on our consideration of the Hospital's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Hospital's internal control over financial reporting and compliance.

MV7 & Associates, LLP

Fresno, California November 14, 2024 Statements of Net Position

SAN BENITO HEALTH CARE DISTRICT

	June 30		
Assets	2024	2023	
Current assets:			
Cash and cash equivalents	\$ 34,905,203	\$ 13,413,099	
Restricted trust funds available for current debt service	2,776,067	2,830,800	
Patient accounts receivable, net of allowances	12,081,403	13,739,152	
Other receivables	5,931,344	8,381,301	
Estimated third party payor settlements	4,303,214	2,286,546	
Inventories	4,496,070	4,057,812	
Prepaid expenses and deposits	1,775,026	2,042,543	
Total current assets	66,268,327	46,751,253	
Assets limited as to use	451,131	143,920	
Capital assets, net of accumulated depreciation	54,888,670	57,288,673	
Other assets	653,261	1,212,567	
Total assets	125,213,719	105,396,413	
Deferred outflows of resources, net of inflows	7,436,297	18,756,288	
	<u>\$129,697,686</u>	<u>\$124,152,701</u>	
Liabilities			
Current liabilities:			
Current maturities of debt borrowings	\$ 6,037,190	\$ 7,966,376	
Accounts payable and accrued expenses	9,209,258	5,379,082	
Accrued payroll and related liabilities	14,206,563	15,956,445	
Estimated third party payor settlements and other liabilities	6,782,507	658,946	
Total current liabilities	36,235,518	29,960,849	
Long-term pension liabilities	23,814,514	36,485,864	
Debt borrowings, net of current maturities	30,488,375	34,163,981	
Total liabilities	90,538,407	100,610,694	
Net position (deficit)			
Invested in capital assets, net of related debt	18,363,105	17,582,628	
Restricted, by contributors and indenture agreements	2,893,545	2,677,717	
Unrestricted (deficit)	17,902,629	3,281,662	
Total net position	39,159,279	23,542,007	
8	<u>\$129,697,686</u>	<u>\$124,152,701</u>	

Statements of Revenues, Expenses and Changes in Net Position

SAN BENITO HEALTH CARE DISTRICT

	Year Ende	Year Ended June 30		
	2024	2023		
Operating revenues				
Net patient service revenue	\$149,895,282	\$152,533,693		
Other operating revenue	4,991,196	6,684,031		
Total operating revenues	154,886,478	159,217,724		
Operating expenses				
Salaries and wages	57,247,791	57,801,570		
Employee benefits	25,042,972	34,416,763		
Registry	4,548,252	4,217,289		
Professional fees	19,352,379	20,482,577		
Supplies	12,386,611	12,878,484		
Purchased services and repairs	13,769,711	14,776,517		
Utilities and phone	2,380,747	2,666,037		
Building and equipment rent	1,753,051	1,803,465		
Insurance	1,308,821	1,106,998		
Depreciation and amortization	3,876,948	3,808,755		
Other operating expenses	3,366,118	1,536,624		
Total operating expenses	145,033,401	155,495,079		
Operating income (loss)	9,853,077	3,722,645		
Nonoperating revenues (expenses)				
District tax revenues	4,991,196	4,847,384		
Investment income, net of unrealized gains and losses	489,248	218,106		
Interest expense	(1,493,326)	(1,759,392)		
Grants, contributions and other gains and losses	423,467	592,634		
Total nonoperating revenues (expenses)	4,410,585	3,898,732		
Excess of revenues over expenses	14,263,662	7,621,377		
GASB 68 pension affect	1,424,210	(7,291,536)		
Other increases (decreases) in net position	(70,600)	14,296		
Net increase in net position	15,617,272	344,137		
Net position at beginning of the year	23,542,007	23,197,870		
Net position at end of the year	<u>\$ 39,159,279</u>	<u>\$_23,542,007</u>		

SAN BENITO HEALTH CARE DISTRICT

	Year Ended June 30				
	2024	2023			
Cash flows from operating activities:					
Cash received from patients and third-parties on behalf of patients	\$155,335,882	\$147,302,546			
Cash received from operations, other than patient services	7,441,153	1,964,043			
Cash payments to suppliers and contractors	(67,845,715) (47,381,79				
Cash payments to employees and benefit programs	(84,072,535) (86,983,018				
Net cash provided by operating activities	10,858,785	14,901,773			
Cash flows from noncapital financing activities:					
District tax revenues related to operations	2,856,812	2,689,536			
Grants, contributions and changes in restricted assets	423,467	1,038,223			
Net cash provided by noncapital financing activities	3,280,279	3,727,759			
Cash flows from capital financing activities:					
District tax revenues related to capital acquisitions	2,134,384	2,157,848			
Net purchase of capital assets and changes in other assets	11,737,763	(24,044,000)			
Proceeds from sale of capital assets		1,536,366			
Principal borrowings on debt borrowings		3,090,086			
Principal payments on debt borrowings	(5,262,551)	(2,605,136)			
Interest payments, net of capitalized interest	(1,493,326) (1,759,392				
Net cash provided by (used in) capital financing activities	7,116,270	(21,624,228)			
Cash flows from investing activities:					
Net (purchase) or sale of assets limited as to use	(252,478)	1,747,687			
Investment income, net of unrealized gains and losses	489,248	218,106			
Net cash provided by investing activities	236,770	1,965,793			
Net increase (decrease) in cash and cash equivalents	21,492,104	(1,028,903)			
Cash and cash equivalents at beginning of year	13,413,099	14,442,002			
Cash and cash equivalents at end of year	<u>\$.34,905,203</u>	<u>\$ 13,413,099</u>			

Statements of Cash Flows (continued)

SAN BENITO HEALTH CARE DISTRICT

	Year Ended June 30		
	2024	2023	
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 9,853,077	\$ 3,722,645	
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation and amortization	3,876,948	3,808,755	
Provision for bad debts and other	11,008,966	4,707,915	
Changes in operating assets, liabilities and other:			
Patient accounts receivables, net of allowances	(9,351,217)	(4,146,548)	
Other receivables	2,449,957	(4,719,988)	
Inventories	(438,258)	(911,651)	
Prepaid expenses and deposits	267,517	(1,116,046)	
Accounts payable and accrued expenses	3,830,176	(7,906,315)	
Accrued payroll and related liabilities	(1,781,772)	5,235,315	
Estimated third party payor settlements and other liabilities	3,782,851	(5,792,514)	
Net long-term pension liability	(12,671,350)	21,779,188	
Health insurance claims payable (IBNR)	31,890	241,017	
Net cash provided by operating activities	<u>\$ 10,858,785</u>	<u>\$ 14,901,773</u>	

Notes to Financial Statements

SAN BENITO HEALTH CARE DISTRICT

June 30, 2024

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES

Reporting Entity: San Benito Health Care District, (dba: Hazel Hawkins Memorial Hospital), heretofore referred to as (the Hospital) is a public entity organized under Local Hospital District Law as set forth in the Health and Safety Code of the State of California. The Hospital is a political subdivision of the State of California and is generally not subject to federal or state income taxes. The Hospital is governed by a five-member Board of Directors, elected from specified areas within the district to specified terms of office. The Hospital is located in Hollister, California. It is licensed for 25 acute care beds, a home health agency, several rural health clinics, and 119 convalescent beds divided between two locations at and near the Hospital's campus. The Hospital provides health care services primarily to individuals who reside in the local geographic area.

Basis of Preparation: The accounting policies and financial statements of the Hospital generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The Hospital uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, as amended, the Hospital has elected to apply the provisions of all relevant pronouncements as the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

Management's Discussion and Analysis: Effective July 1, 2002, the Hospital adopted the provisions of GASB 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (Statement 34), as amended by GASB 37, Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments: Omnibus, and Statement 38, Certain Financial Statement Note Disclosures. Statement 34 established financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements. One of the main components of these new provisions allows the inclusion of a management's discussion and analysis to accompany the financial statement presentation.

The management's discussion and analysis is a narrative introduction and analytical overview of the Hospital's financial activities for the year being presented. This analysis is similar to the analysis provided in the annual reports of organizations in the private sector. As stated in the opinion letter, the management's discussion and analysis is not a required part of the financial statements but is supplementary information and therefore not subject to audit procedures or the expression of an opinion on it by auditors.

SAN BENITO HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents and Investments: The Hospital considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in nonoperating revenues when earned.

Patient Accounts Receivable: Patient accounts receivable consist of amounts owed by various governmental agencies, insurance companies and private patients. The Hospital manages its receivables by regularly reviewing the accounts, inquiring with respective payors as to collectibility and providing for allowances on their accounting records for estimated contractual adjustments and uncollectible accounts. Significant concentrations of patient accounts receivable are discussed further in the footnotes.

Inventories: Inventories are consistently reported from year to year at cost determined by average costs and replacement values which are not in excess of market. The Hospital does not maintain levels of inventory values such as those under a first-in, first out or last-in, first out method.

Assets Limited as to Use: Assets limited as to use include contributor restricted funds, amounts designated by the Board of Directors for replacement or purchases of capital assets, and other specific purposes, and amounts held by trustees under specified agreements. Assets limited as to use consist primarily of deposits on hand with local banking and investment institutions, and bond trustees.

Capital Assets: Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 30 years for buildings and improvements, and 3 to 10 years for equipment. The Hospital periodically reviews its capital assets for value impairment. As of June 30, 2024 and 2023, the Hospital has determined that no capital assets are impaired.

SAN BENITO HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Deferred Outflows of Resources: Deferred outflows of resources are comprised of deferred financing cost of the issuance of various bonds. Amortization of these issuance costs is computed by the effective interest method and the straight line method over the life of the repayment agreements. For current and advance refundings which result in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt, together with any unamortized deferred financing costs, is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, in accordance with GASB 23. Amortization expense was \$72,852 and \$74,676 for the years ended June 30, 2024 and 2023, respectively.

Deferred outflows of resources is also comprised of defined benefit pension resources of \$12,454,189 of deferred outflows netted against \$5,416,040 of deferred inflows for a net \$7,038,149 for the year ended June 30, 2024 and \$19,213,714 of deferred outflows netted against \$ 928,425 of deferred inflows for a net \$18,285,289 for the year ended June 30, 2023.

Compensated Absences: The Hospital's employees earn vacation benefits at varying rates depending on years of service. Employees also earn sick leave benefits. Both benefits can accumulate up to specified maximum levels. Employees are not paid for accumulated sick leave benefits if they leave either upon termination or before retirement. However, accumulated vacation benefits are paid to an employee upon either termination or retirement. Accrued vacation liabilities as of June 30, 2024 and 2023 are \$3,850,336 and \$4,211,368, respectively.

Risk Management: The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters. In the case of employee health coverage, the Hospital is self-insured for those claims and is discussed further in the footnotes.

Net Position: Net position (formerly net assets) are presented in three categories. The first category is net position "invested in capital assets, net of related debt". This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets.

The second category is "restricted" net position. This category consists of externally designated constraints placed on those net position by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation.

The third category is "unrestricted" net position. This category consists of net position that do not meet the definition or criteria of the previous two categories.

SAN BENITO HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Net Patient Service Revenues: Net patient service revenues are reported in the period at the estimated net realized amounts from patients, third-party payors and others including estimated retroactive adjustments under reimbursement agreements with third-party programs. Normal estimation differences between final reimbursement and amounts accrued in previous years are reported as adjustments of current year's net patient service revenues.

Revenue Recognition: As previously stated, net patient service revenues are reported at amounts that reflect the consideration to which the Hospital expects to be entitled in exchange for patient services. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of third-party payor audits, reviews, and investigations. Generally, the Hospital bills the patients and third-party payors several days after the patient receives healthcare services at the Hospital. Revenue is recognized as services are rendered.

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per day, discharge or visit, reimbursed costs, discounted charges and per diem payments. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Gifts of long-lived assets such as land, buildings, or equipment are reported as net assets without donor restrictions unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit donor restrictions that specify how the asset is to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived asset is placed in service. Cash received in excess of revenue recognized is deferred revenue.

Contributions are recognized as revenue when they are received or unconditionally pledged. Donor stipulations that limit the use of the donation are recognized as contributions with donor restrictions. When the purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from donor restrictions. Donor restricted contributions whose restriction expire during the same fiscal year are recognized as net assets without donor restrictions. Absent donor imposed restrictions, the Hospital records donated services, materials, and facilities as net assets without donor restrictions.

From time to time, the Hospital receives grants from various governmental agencies and private organizations. Revenues from grants are recognized when all eligibility requirements, including time requirements are met. Grants may be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statement of revenues, expenses and changes in net position.

SAN BENITO HEALTH CARE DISTRICT

NOTE A - ORGANIZATION AND ACCOUNTING POLICIES (continued)

Charity Care: The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the Hospital. Essentially, these policies define charity services as those services for which no payment is anticipated. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenues. Services provided are recorded as gross patient service revenues and then written off entirely as an adjustment to net patient service revenues.

District Tax Revenues: The Hospital receives approximately 3% of its financial support from property taxes. These funds are used to support operations and meet required debt service agreements. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Property taxes are levied by the County on the Hospital's behalf during the year, and are intended to help finance the Hospital's activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date

Operating Revenues and Expenses: The Hospital's statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the Hospital's principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Nonoperating revenues and expenses are those transactions not considered directly linked to providing health care services.

Recently Adopted Accounting Pronouncement: In June, 2017 the Governmental Accounting Standards Board released GASB 87 regarding changes in the way leases are accounted for. GASB 87 superceded GASB 13 and GASB 62 and more accurately portrays lease obligations by recognizing lease assets and lease liabilities on the statement of net position and disclosing key information about leasing arrangements. The District has adopted GASB 87 effective July 1, 2021 in accordance with the timetable established by GASB 87.

Recently the Governmental Accounting Standards Board released GASB 96 regarding changes in the way certain IT contracts are accounted for. The Hospital analyzed the possible impact of GASB 96 noting that there were no contracts which materially qualified under this new pronouncement and therefore no changes in the financial presentation were considered necessary.

SAN BENITO HEALTH CARE DISTRICT

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS

As of June 30, 2024 and 2023, the Hospital had operating deposits invested in various financial institutions in the form of cash and cash equivalents amounted to \$36,005,044 and \$14,364,758. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured.

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the Hospital's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the Hospital's deposits. California law also allows financial institutions to secure Hospital deposits by pledging first trust deed mortgage notes having a value of 150% of the Hospital's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the Hospital. Investments consist of U.S. Government securities and state and local agency funds invested in U. S. Government securities and are stated at quoted market values. Changes in market value between years are reflected as a component of investment income in the accompanying statement of revenues, expenses and changes in net position.

NOTE C - NET PATIENT SERVICE REVENUES

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. These combined open settlements are classified as current assets. A summary of the payment arrangements with major third-party payors follows:

Medicare: Payments for acute care services rendered to Medicare program beneficiaries are paid on cost reimbursement principles. The Hospital was classified as a critical access hospital during the fiscal year ended June 30, 2020. The Hospital is paid for services at an interim rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. At June 30, 2024, cost reports through June 30, 2021 have been audited or otherwise final settled.

Medi-Cal: Payments for inpatient services rendered to Medi-Cal patients are made based on reasonable costs through December 31, 2013. Effective January 1, 2014, the State of California's Medi-Cal program changed inpatient reimbursement to Diagnosis-Related Groups (DRG), similar to the Medicare inpatient payment methodology. Outpatient payments continue to be paid on pre-determined charge screens. Additionally, on November 1, 2013, San Benito County transitioned to Medi-Cal Managed Care through Anthem Blue Cross. The Medi-Cal recipients in the County are now able to choose between managed care or fee for service. At June 30, 2024, cost reports through June 30, 2022, have been final settled.

Other: Payments for services rendered to other than Medicare and Medi-Cal patients are based on established rates or on agreements with certain commercial insurance companies, health maintenance organizations and preferred provider organizations which provide for various discounts from established rates.

SAN BENITO HEALTH CARE DISTRICT

NOTE C - NET PATIENT SERVICE REVENUES (continued)

Net patient service revenues summarized by payor are as follows:

	2024	2023
Daily hospital acute care routine services	\$ 40,084,613	\$ 46,889,961
Skilled nursing routine services	24,707,998	24,725,200
Inpatient ancillary services	52,224,086	58,674,847
Outpatient services	327,812,688	280,621,265
Gross patient service revenues	444,829,385	410,911,273
Less contractual allowances and provision for bad debts	(294,934,103)	(258,377,580)
Net patient service revenues	\$149,895,282	<u>\$152,533,693</u>

Medicare and Medi-Cal revenue accounts for approximately 60% of the Hospital's net patient revenues for each year. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

NOTE D - CONCENTRATION OF CREDIT RISK

The Hospital grants credit without collateral to its patients and third-party payors. Patient accounts receivable from government agencies represent the only concentrated group of credit risk for the Hospital and management does not believe that there are any credit risks associated with these governmental agencies. Contracted and other patient accounts receivable consist of various payors including individuals involved in diverse activities, subject to differing economic conditions and do not represent any concentrated credit risks to the Hospital. Concentration of patient accounts receivable at June 30, 2024 and 2023 were as follows:

	2024	2023
Medicare	\$ 23,453,628	\$ 17,944,182
Medi-Cal	21,330,412	15,902,192
Other third party payors	12,947,872	8,901,492
Self pay and other	10,116,873	6,485,776
Gross patient accounts receivable	67,848,785	49,233,642
Less allowances for contractual adjustments and bad debts	(55,767,382)	(35,494,490)
Net patient accounts receivable	<u>\$ 12,081,403</u>	<u>\$ 13,739,152</u>

SAN BENITO HEALTH CARE DISTRICT

NOTE D - CONCENTRATION OF CREDIT RISK (continued)

Financial Instruments: Financial instruments, potentially subjecting the Hospital to concentrations of credit risk, consist primarily of bank deposits in excess of the Federal Deposit Insurance Corporation (FDIC) limits of \$250,000. There are two accounts as of June 30, 2024 that exceed the FDIC limit, however Management believes that there is no risk of material loss for these funds as of June 30, 2023 and 2022 due to the high financial quality of the banking institutions with which the Hospital does business. Management further believes that there is no risk of material loss due to government held investments in the Local Agency Investment Fund (LAIF) due to the nature of this account as government owned.

NOTE E - OTHER RECEIVABLES

Other receivables as of June 30, 2024 and 2023 were comprised of the following:

	2024	2023
Receivable due from the State for supplemental programs	\$ 4,994,577	\$ 7,627,745
San Benito County property taxes	151,958	156,958
Lease receivable - current portion	559,306	559,307
Other various receivables	225,503	37,291
	\$ 5,931,344	<u>\$ 8,381,301</u>

NOTE F - ASSETS LIMITED AS TO USE

Assets limited as to use as of June 30, 2024 and 2023 were comprised of the following:

	2024		2023	
ash and cash equivalents restricted by contributors		127,119	\$	125,193
Cash designated by the board for specific purposes		301,127		297,003
Cash and cash equivalents and debt securities held under bond indenture agreements for debt service requirements		2,798,952		2,552,524
		3,227,198		2,974,720
Less amounts available for current obligations		(2,776,067)		(2,830,800)
-	\$	451,131	<u>\$</u>	143,920

Interest income, dividends, and other like-kind earnings are recorded as investment income. Unrealized gains and (losses) are also recorded as investment income.

SAN BENITO HEALTH CARE DISTRICT

NOTE G - CAPITAL ASSETS

Capital assets as of June 30, 2024 and 2023 were comprised of the following:

	Balance at June 30, 2023			Balance at June 30, 2024
Land and land improvements Buildings and improvements Equipment Construction-in-progress Totals at historical cost	\$ 3,370,474 100,098,374 43,302,208 <u>880,124</u> 147,651,180	\$ 1,132,816 513,840 1,646,656		\$ 3,370,474 100,098,374 44,435,024 <u>1,393,964</u> 149,297,836
Less accumulated depreciation for: Land and land improvements Buildings and improvements Equipment Total accumulated depreciation Capital assets, net	(1,530,941) (51,354,211) (37,477,355) (90,362,507) <u>\$ 57,288,673</u>	(73,294) (2,629,189) (1,344,176) (4,046,659) <u>\$ (1,235,442</u>)	<u>\$</u>	(1,604,235) $(53,983,400)$ $(38,821,531)$ $(94,409,166)$ $$54,888,670$

	Balance at	Transfers &	Transfers & Disposals &	
	June 30, 2022	Additions	Additions Retirements	
Land and land improvements	\$ 3,237,474	\$ 133,000		\$ 3,370,474
Buildings and improvements	97,716,675	2,381,699		100,098,374
Equipment	41,539,565	1,762,643		43,302,208
Construction-in-progress	4,284,247	(1,436,464)	(1,967,659)	880,124
Totals at historical cost	146,777,961	2,840,878	(1,967,659)	147,651,180
Less accumulated depreciation for:				
Land and land improvements	(1,461,273)	(69,668)		(1,530,941)
Buildings and improvements	(48,786,190)	(2,568,021)		(51,354,211)
Equipment	(36,038,724)	(1,438,631)		(37,477,355)
Total accumulated depreciation	(86,286,187)	(4,076,320)	2	(90,362,507)
Capital assets, net	<u>\$ 60,491,774</u>	<u>\$ (1,235,442</u>)	<u>\$ (1,967,659</u>)	<u>\$ 57,288,673</u>

SAN BENITO HEALTH CARE DISTRICT

NOTE H - DEBT BORROWINGS

As of June 30, 2024 and 2023, debt borrowings were as follows:

	2024	2023
San Benito Healthcare District 2014 General Obligation Refunding Bonds (election 2005); interest at 3.58% due semiannually; principal due in annual amounts ranging from \$760,000 on June 30, 2020 to \$2,755,000 on June 30, 2035; collateralized by property taxes:	\$ 21,815,000	\$ 23,035,000
San Benito Health Care District Insured Refunding Revenue Bonds, Series 2021; interest charged at 4.0% due semiannually; principal due in annual amounts ranging from \$1,340,000 on March 1, 2022 to \$1,800,000 on March 1, 2029; collateralized by Hospital revenues and other property:	8,330,000	9,810,000
California Health Facilities Financing Authority (CHFFA) Bridge Loan; no interest charged; entire outstanding principal due September, 2024; collateralized by security agreement:	3,090,086	3,090,086
California Health Facilities Financing Authority (CHFFA) Help II Loan; interest charged at 2%; payable in monthly installments of \$9,602; final payment due November 1, 2041; collateralized by Hospital revenues:	1,693,358	1,780,472
California Health Facilities Financing Authority (CHFFA) Non- designated Public Hospital Bridge Loans; no interest charged and principal payments due in full upon receipt of supplemental payments from the State of California's QIP program:		2,475,438
Premiums, net of accumulated accretion:	1,597,121	1,939,361
riemunis, net of accumulated accretion.	36,525,565	42,130,357
Less current maturities of debt borrowings	(6,037,190)	(7,966,376)
_	<u>\$ 30,488,375</u>	<u>\$ 34,163,981</u>

Future principal maturities for debt borrowings for the next succeeding years are: \$6,037,190 in 2025; \$3,040,000 in 2026; \$3,225,000 in 2027; \$3,420,000 in 2028; and \$3,615,000 in 2029.

Bank Line of Credit: The Hospital had a line of credit available for \$1 million. Shortly after the declaration of fiscal emergency in November, 2022, the Bank cancelled the line of credit. There were no outstanding balances on this line of credit as of June 30, 2024 and 2023.

SAN BENITO HEALTH CARE DISTRICT

NOTE H - DEBT BORROWINGS - (continued)

Bonds Payable: On July 7, 2005, the Hospital issued the San Benito Health Care District 2005 General Obligation Bonds (the 2005 Bonds) in order to finance construction projects at the Hospital. The offering was for \$31,000,000 with interest at rates varying from 4.50% to 5.00%. Effective May 3, 2005, the Hospital exercised its authority to levy a special district property tax assessment to be used to meet debt service obligations for the 2005 Bonds. Taxes are collected by San Benito County and are used to meet the debt service obligations as they become due and payable to the bondholders. The total debt service obligation paid by San Benito County on behalf of the Hospital for the 2005 Bonds amounted to \$656,531 for the year ended June 30, 2015. These amounts, as well as County fees to administer the debt, have been recognized as income by the Hospital for the respective fiscal year ends. Additional accumulated tax collections by San Benito County under this arrangement as of June 30, 2015 are considered minor. During the year ended June 30, 2015, the 2005 bonds were refunded with the sale of the 2014 bonds.

In December, 2014, the Hospital issued the San Benito Health Care District 2014 General Obligation Refunding Bonds (the 2014 Bonds) in order to refund the 2005 Bonds. The offering was for \$30,030,000 with interest rate set at 3.58%. In order to service this debt, the Hospital exercised its authority to levy a special district property tax assessment to be used to meet debt service obligations for the 2014 Bonds. Taxes are collected by San Benito County and are used to meet the debt service obligations as they become due and payable to the bondholders. The total debt service obligation taxes collected by San Benito County on behalf of the Hospital for the 2005 Bonds were less than \$10,000 and is considered minimal. The total debt service obligation paid by San Benito County on behalf of the Hospital for the 2014 Bonds amounted to \$2,044,653 and \$1,979,570 for the years ended June 30, 2024 and 2023, respectively. These amounts, as well as County fees to administer the debt, have been recognized as income by the Hospital for the respective fiscal year ends. Additional accumulated tax collections by San Benito County under this arrangement as of June 30, 2024 and 2023 are considered minor.

In January, 2021, the Hospital issued Series 2021 San Benito Health Care District Insured Refunding Revenue Bonds, Series 2021 (the 2021 Bonds) in the amount of \$12,750,000 for the purpose of defeasing the San Benito Health Care District Insured Revenue Bonds, Series 2013 Bonds. The 2021 Bonds were issued at a \$1,982,753 premium. The 2021 Bonds are the obligation of the Hospital and mature on or before March 1, 2029 and will not be subject to optional redemption prior to maturity. The Hospital is required under the 2021 bond indenture agreement to deposit certain amounts on a monthly basis with the Trustee which approximate the succeeding year's debt service. The indenture agreement provides for certain Hospital assets, a requirement to maintain proper licensing and qualification for federal, state and local government reimbursement programs, and to fix, charge and collect rates, fees and charges which are reasonably projected to, in each fiscal year, provide a debt service coverage ratio (DSCR) of not less than 1.25. For June 30, 2024 and 2023, the DSCR was 9.38 and 1.68, respectively. Other requirements are to maintain a current ratio of at least 1.5 to 1 and at least 30 days cash on hand. For June 30, 2024 and 2023, the current ratio was 1.77 and 1.60 and the days cash on hand are 90.08 and 32.61, respectively.

SAN BENITO HEALTH CARE DISTRICT

NOTE I - RETIREMENT PLANS

Through December 31, 2003, the Hospital provided retirement benefits for substantially all of its full-time employees under a defined contribution matching plan (Plan I). Plan I became effective January 1, 1995 with a plan year end of December 31. Employees who have attained the age of 18 and completed one year of full-time service or part-time service were eligible for Plan I. Employees who worked on a per-diem, leased or contract basis were not eligible. The Hospital's contributions matched the contributions of the employees up to a 3.5% limit, subject to certain limitations under Plan I. In addition to the 3.5% contribution by the Hospital, employees could have contributed up to \$12,000. Employees become fully vested in the employer contributions after completion of 5 years of service. Total Plan I assets were \$33,085,568 and \$33,956,744 as of June 30, 2024 and 2023 respectively. No employer contributions have been made to this part of Plan I after December 31, 2003. A part of Plan I, however, still includes the 457 plan that employees still currently contribute to.

Effective January 1, 2005, the Hospital began a single-employer defined benefit plan (Plan II). Plan II became effective January 1, 2005 with a plan year end of December 31. Benefitted full and part-time employees are eligible following three years of consecutive employment. The retirement formula is based on a percentage of the employee's compensation in each calendar year. Credit for past service is given to benefitted full and part-time employees during the period of 1999 through current at the same retirement formula of the employee's compensation in each calendar year in which the employee completed 1,000 hours of service.

The Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, became effective for fiscal years beginning after June 15, 2014. The statement established accounting and financial reporting standards for the recognition and disclosure requirements for employers with a liability to a defined benefit pension plan, as in the case of the Hospital's Plan II. GASB 68 requires that the Hospital's liability to Plan II be measured as the portion of the present value of projected benefit payments to be provided through Plan II to current active and inactive employees that is attributed to the employee's past periods of service, less the amount of Plan II's net position. The statement also requires employers to present information about the changes in the net pension liability and the related ratios, including Plan II's net position as a percentage of total pension liability, and the net pension liability as a percentage of covered-employee payroll. Under GASB 68, the Hospital is required to recognize a liability of the net position of Plan II, and to recognize pension expense and report deferred outflows and inflows, when present. The Hospital is also required to present a 10-year schedule containing the net pension liability and certain related ratios, and information about statutorily or contractually required contributions and related ratios. However, until a full 10-year trend is compiled, the Hospital will present information for only those years for which information is available.

The net effect in implementing GASB 68 for the Hospital was the recognition of additional pension expense for the year ended June 30, 2015 in the amount of \$748,158 and the reclassification of net position of \$8,325,745 as a long-term non-current unfunded actuarial net pension liability.

SAN BENITO HEALTH CARE DISTRICT

NOTE I - RETIREMENT PLANS - (continued)

For the years ended June 30, 2024 and 2023, the Hospital recognized pension (credit) and expense under Plan II of \$(1,424,210) and \$7,291,536, respectively. At June 30, 2024 and 2023 the Hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2024	2023
\$ 925,724	\$ 1,312,573
9,382,924	12,900,689
2,145,541	5,000,452
12,454,189	19,213,714
(5,416,040)	(928,425)
\$ 7,038,149	<u>\$18,285,289</u>
	\$ 925,724 9,382,924 <u>2,145,541</u> 12,454,189 (5,416,040)

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions (net) will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ 2,579,454
2026	2,681,874
2027	2,539,486
2028	(762,665)
Thereafter	
	<u>\$ 7,038,149</u>

The following is the aggregate pension expense for the year:

	2024	2023
Service costs, plus related administrative expense	\$ 2,398,957	\$ 2,280,614
Interest on the total pension liability	3,510,551	3,394,641
Recognized difference between expected and actual experience	19,116	117,029
Recognized changes of assumptions	2,183,211	3,422,209
Projected earnings on pension plan investments and contributions	(9,375,075)	(3,006,371)
Recognized differences between projected and actual earnings	(64,137)	1,060,665
Aggregate pension expense	<u>\$ (1,327,377</u>)	<u>\$ 7,268,787</u>

SAN BENITO HEALTH CARE DISTRICT

NOTE I - RETIREMENT PLANS - (continued)

Plan administrative expenses are not displayed in the above pension expense table. Since the expected investment rate of return of 5.44% is net of administrative expenses, administrative expenses are excluded from the above table but, implicitly included as part of investment earnings.

The net pension liability is as follows:

The net pension natinity is as follows.		
	2024	2023
Total Pension Liability		
Service costs	\$ 2,376,022	\$ 2,257,746
Interest on the total pension liability	3,510,551	3,394,641
Differences between expected and actual experience	(453,339)	1,069,590
Changes of assumptions	(5,736,563)	10,293,791
Benefit payments/changes, including refunds of employee contributions	(8,712,089)	(1,323,008)
Net change in total pension liability	(9,015,418)	15,692,760
Total pension liability at the beginning of the year	71,623,317	55,930,557
Total pension liability at the end of the year	<u>\$ 62,607,899</u>	<u>\$ 71,623,317</u>
Plan Fiduciary Net Position		
Contributions - employer (Hospital)	\$ 96,833	\$ 1,545,627
Contributions - employees	173,193	310,498
Net investment income	5,155,028	(6,596,677)
Administrative expense	(22,935)	(22,868)
Benefit payments, including refunds of employee contributions	(1,746,187)	(1,323,008)
Net change in Plan Fiduciary Net Position	3,655,932	(6,086,428)
Total plan fiduciary net position at the beginning of the year	35,137,453	41,223,881
Total plan fiduciary net position at the end of the year	<u>\$ 38,793,385</u>	<u>\$ 35,137,453</u>
Hospital's net pension liability (liability less net position)	<u>\$23,814,514</u>	<u>\$ 36,485,864</u>
Plan fiduciary net position as a % of the total liability	42%	49%
Covered employee payroll	\$ 26,658,478	\$ 25,765,287
Hospital's net pension liability as a % of covered employee payroll	89%	142%
Schedule of Hospital Contributions		
Actuarially determined contributions	\$ 3,401,336	\$ 3,154,060
Contributions in relation to the actuarially determined contributions	(96,833)	(1,545,627)
Contribution deficiency	<u>\$ 3,304,503</u>	<u>\$ 1,608,433</u>

SAN BENITO HEALTH CARE DISTRICT

NOTE I - RETIREMENT PLANS - (continued)

The following table summarizes the actuarial assumptions used to determine net pension liability and plan fiduciary net position as of June 30, 2023:

Valuation date	Actuarially determined contributions are calculated as of December 31, six months prior to the end of the fiscal year in which contributions are reported
Methods and assumptions:	
Actuarial cost method	Entry age normal cost method
Amortization method	Straight line amortization
Asset valuation method	Market value as of the measurement date
Salary increases	Salary scale (1) CNA at 4% a year; (2) NUHW at 3.5% a year; (3) all others at 3.00% a year; in 2023
Merit increases	5% per year for 1-5 years; 10%-20% every 5 years for CNA; 10%-25% every 5 years for NUHW
Investment rate of return	4.80%, net of pension plan investment expense, including inflation
Retirement age	65
Mortality	PubG-2010 Public Retirement Mortality Tables for Males & Females with projection scale MP2021

Other disclosures about Plan II are as follows or available upon request:

Description of the Plan: Effective January 1, 2005, the Hospital began a single-employer defined benefit plan. This plan became effective on that date with a plan year end of December 31.

Benefits provided: Benefitted full and part-time employees are eligible following three years of consecutive employment. The retirement formula is based on a percentage of the employee's compensation in each calendar year. Credit for past service is given to benefitted full and part-time employees during the period of 1999 through current, at the same retirement formula of the employee's compensation in each consecutive calendar year in which the employee completed 1,000 hours of service.

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SAN BENITO HEALTH CARE DISTRICT

NOTE I - RETIREMENT PLANS - (continued)

Employees covered by benefit terms: As of January 1, 2024, there are currently 258 active participants in the plan, 159 retired participants, 148 terminated vested participants entitled to future benefits, 10 active participants (frozen status) for a total of 575 total participants.

Contributions: For the fiscal year ended June 30, 2024, the actuarially determined contributions for the Hospital for the plan year was \$3,401,336 with actual employer contributions of \$96,833 leaving a contribution deficiency of \$3,304,503 on a covered employee payroll of \$26,658,478. For the fiscal year ended June 30, 2023, the actuarially determined contributions for the Hospital for the plan year was \$3,154,060 with actual contributions of \$1,545,627 leaving a contribution deficiency of \$1,608,433 on a covered employee payroll of \$25,765,287.

Discount rate: The discount rate used to measure the total pension liability was 5.44%. In the previous valuation, the discount rate used to measure the total pension liability was 4.80%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the net pension liability to changes in the discount rate: It is estimated that a 1% decrease in the discount rate from 5.44% to 4.44% would increase the net liability by about \$9.3 million dollars and a 1% increase in the discount rate from 5.44% to 6.44% would decrease the net liability by about \$7.5 million dollars.

Freeze: Effective July 3, 2023 Plan II, the single-employer defined benefit plan, was frozen.

NOTE J - COMMITMENTS AND CONTINGENCIES

Construction-in-Progress: As of June 30, 2024, the Hospital had recorded \$1,393,964 as construction-in-progress representing cost capitalized for various remodeling, major repair, and expansion projects on the Hospital's premises. No interest was capitalized during the years ended June 30, 2024 and 2023 related to these projects. Estimated cost to complete these projects as of June 30, 2024 is approximately \$1 million.

Operating Leases: The Hospital leases various equipment and facilities under operating leases expiring at various dates. Those which qualified under GASB 87 are disclosed in Note N. Total building and equipment rent expense for the years ended June 30, 2024 and 2023 (including GASB 87 qualifiers), were \$1,753,051 and \$1,803,465, respectively. Future minimum lease payments for the succeeding years under operating leases as of June 30, 2024 other than those disclosed in Note N, that have initial or remaining lease terms in excess of one year are not considered material.

SAN BENITO HEALTH CARE DISTRICT

NOTE J - COMMITMENTS AND CONTINGENCIES (continued)

Litigation: The Hospital may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2024, other than the bankruptcy issue, will be resolved without material adverse effect on the Hospital's future financial position, results from operations or cash flows.

Employee Health Insurance: The Hospital provides health benefits to employees through a self-funded plan financed by the Hospital operations. Estimated liabilities are recorded for claims which most likely have been incurred but are not yet reported for claims processing and payment (IBNR). As of June 30, 2024 and June 30, 2023, this amount was estimated at \$1,384,438 and \$1,352,538, respectively. Commercial insurance is provided for "stop-loss" coverage.

Workers Compensation Program: Prior to June 30, 2008, the Hospital was a participant in the Association of California Hospital District's Beta Fund, which administers a self-insured worker's compensation plan for participating hospital employees of its member hospitals. The Hospital terminated this coverage effective July 1, 2008 and became enrolled with coverage provided by a commercial insurance company for worker's compensation coverage. Effective July 1, 2013, the Hospital was issued a Certificate of Consent to self-insure by the State of California's Department of Industrial Relations. The Hospital purchases excess liability insurance to provide coverage for workers' compensation claim exposures over its self-insurance retention limit of \$500,000. The plan is administered by Quality Comp, Inc., a division of Monument, LLC.

Health Insurance Portability and Accountability Act: The Health Insurance Portability and Accountability Act (HIPAA) was enacted August 21, 1996, to ensure health insurance portability, reduce health care fraud and abuse, guarantee security and privacy of health information, and enforce standards for health information. Organizations are subject to significant fines and penalties if found not to be compliant with the provisions outlined in the regulations. Management believes the Hospital is in compliance with HIPAA as of June 30, 2024 and 2023.

Health Care Reform: The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medi-Cal fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statues and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse as well as other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

SAN BENITO HEALTH CARE DISTRICT

NOTE K -INVESTMENTS

The Hospital's investment balances and average maturities were as follows at June 30, 2024 and 2023:

				Inves	tment]	<u>Maturities in</u>	Years	
As of June 30, 2024		Fair Value		Less than 1		_1 to 5	Over 5	
U.S. government obligations	\$	135,374			\$	34,426	\$	100,948
Local agency investment fund		175,899	\$	175,899				
Corporate bonds and notes		96,782		15,830		34,482		46,470
Money market and mutual funds	1	7,526		7,526				
Total investments	<u>\$</u>	415,581	\$	199,255	\$	<u> 68,908 </u>	<u>\$</u>	147,418

			Investment Maturities in Years					
As of June 30, 2023	Fair Value		Less than 1		<u>1 to 5</u>		Over 5	
U. S. government obligations	\$	123,315	\$	984	\$	42,496	\$	79,835
Local agency investment fund		169,439		169,439				
Corporate bonds and notes		97,979		2,971		57,866		37,142
Money market and mutual funds		14,264		14,264	_			
Total investments	\$	404,997	\$	187,658	\$	100,362	<u>\$</u>	116,977

The Hospital's investments are reported at fair value as previously discussed. The Hospital's investment policy allows for various forms of investments generally set to mature within a few months to others over 15 years. The policy identifies certain provisions which address interest rate risk, credit risk and concentration of credit risk.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the Hospital manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a position of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for hospital operations. Information about the sensitivity of the fair values of the Hospital's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the preceding schedules that shows the distribution of the Hospital's investments by maturity.

Credit Risk: Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as Moody's Investor Service, Inc. The Hospital's investment policy for corporate bonds and notes is to invest in companies with total assets in excess of \$500 million and having a "A" or higher rating by agencies such as Moody's or Standard and Poor's.

SAN BENITO HEALTH CARE DISTRICT

NOTE K -INVESTMENTS (continued)

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g. brokerdealer), the Hospital will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Hospital's investments are generally held by broker-dealers or bank's trust departments used by the Hospital to purchase securities.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the Hospital's investment in a single issuer. The Hospital's investment allows concentrations of over 5% in government-backed securities.

Investment Hierarchy - The Hospital categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant other unobservable inputs. The Hospital investments are solely measured by Level 1 inputs and does not have any investments that are measured using Level 2 or 3 inputs.

NOTE L - OTHER DECREASES IN NET POSITION

The Hospital has recorded increases and (decreases) in net position of \$(70,600) and \$14,296 as other decreases in net position as of June 30, 2024 and 2023, respectively, within the statement of revenues, expenses and changes in net position. For the year ended June 30, 2024, these amounts were comprised of restricted contributions and net assets placed in restriction for a net amount of \$70,600. For the year ended June 30, 2023, these amounts were comprised of net assets released from restriction for a net amount of \$14,296.

NOTE M - RESTRICTED BY CONTRIBUTORS

Restricted assets by contributors as of June 30, 2024 and 2023 are available for the following purposes:

	_	2024	2023	
Restricted by the foundation for capital assets and other purposes	\$	38,985	\$	38,672
Restricted by the auxiliary for capital assets and other purposes		34,264		33,028
Restricted for scholarships and tuitions		53,870		53,493
Total restricted net position, by contributor	\$	127,119	<u>\$</u>	125,193

SAN BENITO HEALTH CARE DISTRICT

NOTE N - LEASES

As of July 1, 2021 the Hospital adopted the Governmental Accounting Standards Board (GASB) 87 requiring certain changes in the way the Hospital accounted for leases, both as a lessee and as a lessor.

Lessee: The Hospital leases space for various clinic and other health care services under operating leases. Lease commencement occurs on the date the Hospital takes possession or control of the property. Original terms for the capitalized leases range from four to five years. Capitalized leases have either an option to extend the contract or open contracts after the end of the lease term. Annual rent increases to base rent are based on the Consumer Price Index (CPI) or a fixed contractual rate that approximates CPI increases.

These leases does not contain a readily determinable discount rate. The estimated borrowing rate of 5.0% was used to discount the remaining cash flows for these operating leases.

These leases requires payment of common area maintenance and real estate taxes which represent the majority of variable lease costs. Variable lease costs are excluded from the present value of lease obligations due to their immateriality.

The Hospital's lease agreements do not contain any material restrictions, covenants, or any material residual value guarantees.

Lessee -lease related assets and liabilities as of June 30, 2024 and 2023 consist of the following:

Assets:	2024	2023
Operating lease - current portion Operating lease - noncurrent portion	\$ 559,306 10,383	\$ 559,307 569,689
Total lease assets	<u>\$ 569,689</u>	<u>\$ 1,128,996</u>
Liabilities: Operating lease - current portion	\$ 334,904	\$ 508,395
Operating lease - noncurrent portion Total lease liabilities	<u>324,042</u> <u>\$ 658,946</u>	<u>658,946</u> <u>\$1,167,341</u>

The future minimum rental payments required under operating lease obligations as of June 30, 2024, having initial or remaining non-cancelable lease terms in excess of one year are summarized as follows:

SAN BENITO HEALTH CARE DISTRICT

NOTE N - LEASES (continued)

Years ending June 30,

2025		359,223
2026		163,716
2027		116,547
Thereafter	-	63,031
Total		702,517
Less: interest		(43,571)
Present value of lease	\$	658,946

liabilities

The weighted average for the remaining lease term of these operating leases is an average of 1.50 and the weighted average discount rate for this operating leases is 5%

Lessor: The Hospital had no leases as lessor which qualified under GASB 87.

NOTE O - RELATED PARTY TRANSACTIONS

The Hazel Hawkins Hospitals Foundation (the Foundation), has been established as a nonprofit public benefit corporation under the Internal Revenue Code Section 501(c)(3) to solicit contributions on behalf of the Hospital. Substantially all funds raised except for funds required for operation of the Foundation, are distributed to the Hospital or held for the benefit of the Hospital. The Foundation's funds, which represent the Foundation's unrestricted resources, are distributed to the Hospital in amounts and in period determined by the Foundation's Board of Trustees, who may also restrict the use of funds for Hospital property and equipment replacement or expansion or other specific purposes. Donations were \$412,984 and \$712,342 for the years ended June 30, 2024 and 2023, respectively.

The Hazel Hawkins Auxiliary (the Auxiliary) is a similar non-profit organization to help solicit contributions for the Hospital. Donations by the Auxiliary were \$36,568 and \$15,000 for the years ended June 30, 2024 and 2023. Both of these entities are considered component units of the Hospital due to their relationship.

SAN BENITO HEALTH CARE DISTRICT

NOTE P - CHAPTER 9 BANKRUPTCY

On May 23, 2023, the Hospital filed a voluntary petition for relief under Chapter 9 of title 11 of the United States Code (the Bankruptcy Code). The Hospital is represented by legal counsel in a pending reorganization under Chapter 9 of Title 11 United States Code (the Bankruptcy Code) in the United States Bankruptcy Court - Northern District of California - San Jose Division. The purpose of the Hospital's plan of reorganization is to restructure certain classifications of the Hospital's debt and provide for their payment in whole or part. Certain debt may be susceptible to being discharged or rendered unenforceable. The ultimate success of the plan will depend primarily on the ability of the Hospital's management to operate the hospital at a level of increased cash flows and thereby generate sufficient cash flows, coupled with Hospital property taxes, to meet their obligations in the normal course of hospital operations. Hospital management is continuing a program of cost reductions and revenue enhancement which it believes will result in improved cash flows.

The financial statements do not include any adjustments relating to the recoverability and classification of asset amounts or the amounts and classification of liabilities that might be necessary should the Hospital be unable to continue hospital operations.

NOTE Q - GASB 68 IMPACT

For the year ended June 30, 2024 the Hospital realized a pension adjustment of \$1,424,210 which had an affect of increasing net position for that year. In contrast, for the year ended June 30, 2023 the Hospital realized a pension adjustment of \$7,291,536 which decreased net position for that year. According to the consulting group contracted by the Hospital as the actuaries for the Plan II, the single-employer defined benefit plan, the reason for the significant difference between the two years was a result of the change in discount rate due to the Plan II being frozen on July 3, 2023.

NOTE R - SUBSEQUENT EVENTS

Management evaluated the effect of subsequent events on the financial statements through November 14, 2024, the date the financial statements are issued, and determined that there are no material subsequent events that have not been disclosed.

Supplementary Schedule

Bond Covenant Requirements

SAN BENITO HEALTH CARE DISTRICT

	Year Ende	Year Ended June 30		
	2024	2023		
Debt Service Coverage Ratio				
Excess of revenues over expenses	\$ 15,617,272	\$ 344,137		
Less district taxes for general obligation bond debt service	(2,134,384)	(2,157,848)		
Add in interest expense related to general obligation bonds	824,653	864,570		
Revised excess of revenues over expenses	14,307,541	(949,141)		
Add in other interest expense	411,336	472,891		
Add in depreciation and amortization	3,876,948	3,808,755		
Total adjusted excess of revenues over expenses	<u>\$ 18,595,825</u>	<u>\$ 3,332,505</u>		
Debt service requirements for fiscal year ended June 30				
Capital lease debt service requirements	\$ 115,221	\$ 115,221		
Series 2021 revenue bond requirements	1,868,200	1,872,400		
Total debt service requirements - next fiscal year (2024)	<u>\$ 1,983,421</u>	<u>\$ 1,987,621</u>		
Debt Service Coverage Ratio	<u>9.38</u>	<u>1.68</u>		
Required by covenants	<u>1.25</u>	<u>1.25</u>		
Current Ratio				
Current assets	<u>\$ 66,268,327</u>	<u>\$ 46,751,253</u>		
Current liabilities	<u>\$ 36,235,518</u>	<u>\$ 29,301,903</u>		
Current ratio	<u>1.83</u>	<u>1.60</u>		
Required by covenants	<u>1.50</u>	<u>1.50</u>		
Days Cash on Hand				
Cash and cash equivalents	\$ 34,905,203	\$ 13,413,099		
Board designated funds		297,003		
Total available cash on hand	<u>\$35,206,330</u>	<u>\$13,710,102</u>		
Operating expenses	\$145,033,401	\$155,495,079		
Add in interest expense	1,493,326	1,759,392		
Less depreciation and amortization	(3,876,948)	(3,808,755)		
Net expenses to be covered by available cash on hand	<u>\$142,649,779</u>	<u>\$153,445,716</u>		
Days in the year	<u>366</u>	<u>365</u>		
Average daily cash requirements	<u>\$ 389,753</u>	<u>\$ 420,399</u>		
Days cash on hand	<u>90.33</u>	<u>32.61</u>		
Required by covenants	<u>30.00</u>	<u>30.00</u>		

JWT & Associates, LLP

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Independent Auditors Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Directors San Benito Health Care District Hollister, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Benito Health Care District, *dba* Hazel Hawkins Memorial Hospital (the Hospital) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Hospital's financial statements, and have issued our report thereon dated November 14, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Hospital's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hospital's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Hospital's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Hospital's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MT & Associates, LLP

Fresno, California November 14, 2024