



**REGULAR MEETING OF THE BOARD OF DIRECTORS  
SAN BENITO HEALTH CARE DISTRICT  
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA  
THURSDAY, JUNE 27, 2024 – 5:00 P.M.  
SUPPORT SERVICES BUILDING, 2<sup>nd</sup>-FLOOR, GREAT ROOM  
IN PERSON AND BY VIDEO CONFERENCE**

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

**Meeting ID** 995 6328 0992

**Security Passcode:** 149366

**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**

**Presented By:**

1. **Call to Order / Roll Call** (Hernandez)
2. **Board Announcements** (Hernandez)
3. **Public Comment** (Hernandez)  
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.
4. **Consent Agenda – General Business** (Pages 1-23) (Hernandez)  
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 – May 23, 2024.
  - B. Consider and Approve Minutes of the Special Board of Directors Meeting May 20, 2024.
  - C. Consider and Approve Minutes of the Special Board of Directors Meeting

June 5, 2024.

D. Consider and Approve Policies:

- Telemetry Medical Surgical

E. Consider and Approve Privileges (Revised):

- Orthopedic Surgery
- General Surgery
- Podiatry

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

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

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

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

**5. Medical Executive Committee**

Handout will be provided at meeting

(Dr. Bogey)

A. Consider and Approve Medical Staff Credentials: June 26, 2024

*Recommended Action: Approval of Credentials*

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

B. Consider and Approve Privileges (Revised): CRNA

*Recommended Action: Approval of Revised CRNA Privileges*

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

**6. Receive Informational Reports**

A. Insight Transaction Update

(Peil/B.Riley)

► Public Comment

B. Chief Executive Officer ([Pages 24-25](#)) (Casillas)

► Public Comment

C. Chief Nursing Officer ([Pages 26-27](#)) (Descent)

► Public Comment

D. Finance Committee ([Pages 27A-111](#)) (Robinson)

1. Finance Committee Meeting Minutes – June 20, 2024

2. Review Financial Updates

- Financial Statements – May 2024
- Finance Dashboard – May 2024
- Supplemental Payments – May 2024

► Public Comment

**7. Action Item**

A. Consider Recommendation for Board Approval of Telemetry Service Agreement with Hicuity Health, Inc. for Three Years ([Pages 112-124](#)) (Descent)

*Recommended Action: Approve Telemetry Service Agreement with Hicuity Health, Inc.*

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

B. Consider Recommendation for Board Approval of Revisions to District Board Approval Policy ([Pages 42-43](#)) (Robinson)

*Recommended Action: Approve Revisions to District Board Policy*

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

C. Consider Recommendation for Board Approval of Kerri King, Ph.D. Professional Services Agreement ([Pages 44-54](#)) (Breen)

*Recommended Action: Approve Professional Service Agreement with Dr. King*

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

D. Consider Recommendation for Board Approval of 401 (a) Pension Plan (Robinson)

*Recommended Action: Approve 401 (a) Pension Plan (Pages 55-98)*

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

E. Consider Recommendation for Board Approval of FYE 06/30/25 Operating and Capital Budgets (Pages 99-111) (Robinson)

*Recommended Action: Approve FYE 06/30/25 Operating and Capital Budgets*

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

8. **Public Comment** (Hernandez)

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

9. **Closed Session** (Hernandez)  
(See Attached Closed Session Sheet Information)

10. **Reconvene Open Session / Closed Session Report** (Hernandez)

11. **Adjournment** (Hernandez)

The next Regular Meeting of the Board of Directors is scheduled for Thursday, July 25, 2024 at 5:00 p.m., Great Room.

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

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

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

**SAN BENITO HEALTH CARE DISTRICT BOARD OF DIRECTORS**  
**JUNE 27, 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**

**[ ] LICENSE/PERMIT DETERMINATION**  
(Government Code §54956.7)

**Applicant(s):** (Specify number of applicants)\_\_\_\_\_

**[ ] CONFERENCE WITH REAL PROPERTY NEGOTIATORS**  
(Government Code §54956.8)

**[X] 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):

San Benito Health Care District dba Hazel Hawkins Memorial Hospital, Case No. 23-50544 (United States Bankruptcy Court for the Northern District of California, San Jose Division)

**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)

**[ ] LIABILITY CLAIMS**  
(Government Code §54956.95)

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

**Agency claimed against:** (Specify name):\_\_\_\_\_.

**[ ] THREAT TO PUBLIC SERVICES OR FACILITIES**  
(Government Code §54957)

**Consultation with:** (Specify the name of law enforcement agency and title of officer):\_\_\_\_\_

**[ ] PUBLIC EMPLOYEE APPOINTMENT**  
(Government Code §54957)

**Title:**

**[ ] PUBLIC EMPLOYMENT**  
(Government Code §54957)

**Title:**

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

**Title:** (Specify position title of the employee being reviewed):

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

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

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

**Agency designated representative:** Anne Olsen

**Employee organization:** National Union of Healthcare Workers (NUHW)

**Unrepresented employee:**

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

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

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

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

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

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

☒ **HEARINGS/REPORTS**  
(Government Code §37624.3 & Health and Safety Code §§1461, 32155)

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

1. Report from Quality, Risk, and Compliance.

☐ **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, 2<sup>ND</sup>-FLOOR, GREAT ROOM  
IN PERSON AND BY VIDEO CONFERENCE**

**THURSDAY, MAY 23, 2024**

**5:00 P.M.**

**MINUTES**

**HAZEL HAWKINS MEMORIAL HOSPITAL**

**Directors Present**

Devon Pack, Board Member by teleconference  
Rick Shelton, Board Member  
Bill Johnson, Board Member  
Jeri Hernandez, Board Member  
Josie Sanchez, Board Member

**Also Present**

Mary Casillas, Chief Executive Officer  
Mark Robinson, Chief Financial Officer  
Karen Descent, Interim Chief Nursing Officer  
Amy Breen-Lema, VP, Clinic Ambulatory & Physician Services  
Michael Bogey, MD, Chief of Staff  
Heidi A. Quinn, District Legal Counsel  
Chela Brewer, Executive Assistant

**1. Call to Order**

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

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

**2. Board Announcements:** No board announcements.

**3. Public Comment**

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

Director Pack joined the meeting via teleconference at 5:20 p.m.

4. **Continued Item from May 20, 2024- Provide Direction to Staff Regarding Further Negotiations With a Potential Transaction Partner:**

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

**MOTION:** By Director Shelton to direct the administration to continue negotiations for approximately two weeks with the County regarding the JPA and with Insight, including the potential of a lease to purchase option, and come back to Board; Second by Director Johnson.

**Moved/Seconded/ Carried.** Ayes: Directors Hernandez, Johnson, Shelton, and Sanchez; Director Pack absent. Approved 4-0 by roll call.

5. **Consent Agenda - General Business**

A. Consider and Approve Minutes of the Regular Meeting of the Board of Directors- April 25, 2024.

B. Consider and Approve Policies:

- Fall Prevention
- Student Shadowing
- Student Clinical Rotation

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

- Provider Services & Clinic Operations
- Skilled Nursing Facilities Reports (Mabie Southside/Northside)
- Laboratory and Radiology
- Foundation Report
- Facilities Report
- Marketing Report
- 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 Johnson to approve Consent Agenda – General Business, Items A –C, Second by Director Shelton.

**Moved/Seconded/ Carried.** Ayes: Directors Hernandez, Johnson, Shelton, and Sanchez. Approved 4-0 by roll call; Director Pack absent.

6. **Medical Executive Committee Meeting**

A. **Consider and Approve Medical Staff Credentials Reports:**

Dr. Bogey, Chief of Staff, provided a review of the Medical Executive Committee Credentials report dated May 15, 2024.

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



**MOTION:** By Director Sanchez to approve the Credentials Reports as presented; Second by Director Sanchez.

**Moved/Seconded/ Carried:** Ayes: Directors Hernandez, Johnson, Shelton, and Sanchez. Approved 4-0 by roll call; Director Pack absent.

B. Consider and Approve Privileges (New): Clinical Psychologist

Dr. Bogey provided a review of the proposed (New) Clinical Psychologist Privileges.

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

**MOTION:** By Director Johnson to approve (New) Clinical Psychologist Privileges as presented; Second by Director Shelton.

**Moved/Seconded/ Carried:** Ayes: Directors Hernandez, Johnson, Shelton, and Sanchez. Approved 4-0 by roll call; Director Pack absent.

7. **Receive Informational Reports**

A. Transaction Update - Deferred

B. Chief Executive Officer

Mary Casillas provided highlights of the Chief Executive Officer Report, which is included in the Board packet.

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

C. Chief Nursing Officer

Karen Descent, Interim Chief Nursing Officer, introduced herself and provided highlights of the Chief Nursing Officer Report, which is included in the Board packet.

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

D. Finance Committee

1. Finance Committee Meeting Minutes – May 16, 2024

2. Review Financial Updates

- Financial Statements – April 2024
- Finance Dashboard – April 2024

Mark Robinson, CFO, provided a review of the financial statements and dashboard included in the Board packet.

## 8. Action Items

- A. Consider Approval of Resolution No. 2024-01 Ratifying Submission of the Loan Application and Authorizing Execution of a Loan and Security Agreement, and Certain Actions in Connection with the Distressed Hospital Loan Program(“DHLP”)

Mr. Robinson provided a review of the DHLP-CHFFA Resolution # 2024-01, which is included in the Board Packet.

President Hernandez offered public comment on the Finance Report; no public comment was received.

An opportunity was provided for public comment on the Resolution; no public comment was provided.

**MOTION:** By Director Johnson to approve Resolution No. 2024-01 Ratifying Submission of the Loan Application and Authorizing Execution of a Loan and Security Agreement, and Certain Actions in Connection with the DHLP; Seconded by Director Hernandez.

**Moved/Seconded/ Carried:** Ayes: Directors Hernandez, Johnson, Shelton, Sanchez, and Pack. Approved 4-0 by roll call vote; Director Pack absent.

- B. Consider Recommendation for Implementation of Analyzer Project Phase I and II; and Approval of Agreements for Test Analyzer; Services Agreement; Architectural Services.

Ms. Bernadette Enderez, Director of Laboratory and Diagnostic Imaging provided a review of the Analyzer Project Phase I and II, which is included in the Board Packet.

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

**MOTION:** By Director Sanchez to approve Implementation of the Laboratory Chemistry Analyzer Project Phase I and Phase II, and Agreements for Test Analyzer; Services Agreement; and Architectural Services. Seconded by Director Pack.

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

## 9. Public Comment

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

## 10. Closed Session

Director Hernandez announced one item to be discussed in Closed Session as listed on the posted Agenda: Conference with Legal Counsel-Existing Litigation, Government Code §54956.9(d)(1). The meeting was recessed into Closed Session at 7:04 p.m.

The Board completed its business of the Closed Session at 7:30 p.m.

## **11. Reconvene Open Session/Closed Session Report**

The Board of Directors reconvened into Open Session at 7:30 p.m. District Counsel Heidi Quinn reported that in Closed Session, the Board discussed one item: Conference with Counsel – Existing Litigation. An update was provided but there was no reportable action taken by the Board in Closed Session.

## **12. Adjournment:**

There being no further regular business or actions, the meeting was adjourned at 7:32p.m.

The next Regular Meeting of the Board of Directors is scheduled for Thursday, June 27, 2024 at 5:00 p.m.

DRAFT



Hazel Hawkins  
MEMORIAL HOSPITAL

**SPECIAL MEETING OF THE BOARD OF DIRECTORS  
SAN BENITO HEALTH CARE DISTRICT  
SUPPORT SERVICES BLDG., 2<sup>ND</sup> FLOOR GREAT ROOM**

**WEDNESDAY, MAY 20, 2024**

**5:00 PM**

**MINUTES**

**IN PERSON AND BY ZOOM VIDEO CONFERENCE**

**MINUTES**

**Directors Present**

Jeri Hernandez, Board Member  
Bill Johnson, Board Member  
Devon Pack, Board Member  
Rick Shelton, Board Member  
Josie Sanchez, Board Member

**Also Present**

Mary Casillas, Chief Executive Officer  
Mark Robinson, Chief Financial Officer  
Amy Breen-Lema, VP Clinic, Ambulatory, & Phys. Services  
Karen Descent, Interim Chief Nursing Officer  
Heidi Quinn, District Legal Counsel  
Chela Brewer, Executive Assistant

**1. Call to Order- Roll Call**

Directors Hernandez, Johnson, Shelton, Sanchez and Pack were present; attendance was taken by roll call.

A quorum was present and the Special Meeting was called to order at 5:00 p.m. by Director Hernandez.

**2. Consider Proposals by the County of San Benito and Insight and Provide Direction to Staff Regarding Further Negotiations With a Potential Transaction Partner.**

Richard Peil of B. Riley, the District's consultant, and San Benito County and Insight provided presentations to the Board.

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

The Board directed discussion of this item to be continued to Thursday, May 23, 2024 at 5:00 p.m., and directed administration to negotiate with Insight the feasibility of alternate transaction structures, including a lease agreement, an operations covenant or an interim management agreement as a precursor to a later sales transaction. Administration should also inquire as to potential for an interim management agreement with Insight concurrent with District transition to JPA.

### **3. Adjournment**

There being no further business or actions, the meeting was adjourned at 9:03 p.m.

The next Regular Meeting of the Board of Directors is scheduled for Thursday, May 23, 2024 at 5:00 p.m.

*Audio of the Special Board Meeting may be found at [Healthcare Services Hollister, CA | Hazel Hawkins Memorial Hospital](#)*



**Hazel Hawkins**  
MEMORIAL HOSPITAL

**SPECIAL MEETING OF THE BOARD OF DIRECTORS  
SAN BENITO HEALTH CARE DISTRICT  
SUPPORT SERVICES BLDG., 2<sup>ND</sup> FLOOR GREAT ROOM**

**WEDNESDAY, JUNE 5, 2024**

**5:00 PM**

**MINUTES**

**IN PERSON AND BY ZOOM VIDEO CONFERENCE**

**MINUTES**

**Directors Present**

Jeri Hernandez, Board Member  
Bill Johnson, Board Member  
Devon Pack, Board Member  
Rick Shelton, Board Member  
Josie Sanchez, Board Member

**Also Present**

Mary Casillas, Chief Executive Officer  
Mark Robinson, Chief Financial Officer  
Amy Breen-Lema, VP Clinic, Ambulatory, & Phys. Services  
Karen Descent, Interim Chief Nursing Officer  
Heidi Quinn, District Legal Counsel  
Chela Brewer, Executive Assistant

**1. Call to Order- Roll Call**

Directors Hernandez, Johnson, Pack, Shelton and Sanchez were present; attendance was taken by roll call.

A quorum was present and the Special Meeting was called to order at 5:00 p.m. by Director Hernandez.

**2. Consider Proposals by the County of San Benito and Insight and Provide Direction to Staff Regarding Further Negotiations With a Potential Transaction Partner.**

Directors Hernandez and Pack provided a report. The Temporary Advisory Committee met twice; terms and conditions discussed.

The District's consultant, Richard Peil of B.Riley provided an update to the Board.

An opportunity was provided for public comment and individuals were given three minutes.

**Motion:**

**Moved/Seconded/and Unanimously Carried:** Ayes: Directors Pack, Sanchez, Shelton, Johnson and Hernandez. Approved 5-0 by roll call, with Director Sanchez absent

**3. Adjournment**

There being no further business or actions, the meeting was adjourned at 6:00 p.m.

The next Regular Meeting of the Board of Directors is scheduled for Thursday, June 27, 2024 at 5:00 p.m.

*Audio of the Special Board Meeting may be found at [Healthcare Services Hollister, CA | Hazel Hawkins Memorial Hospital](#)*



To: San Benito Health Care District Board of Directors  
From: Amy Breen-Lema, Vice President, Clinic, Ambulatory & Physician Services  
Date: June 15, 2024  
Re: All Clinics – May 2024

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

Clinic Location	Total visits
<i>Orthopedic Specialty</i>	409
<i>Multi-Specialty</i>	736
<i>Sunset</i>	921
<i>Surgery &amp; Primary Care</i>	367
<i>San Juan Bautista</i>	317
<i>1st Street</i>	759
<i>4th Street</i>	1,140
<i>Barragan</i>	591
<b>Total</b>	<b>5,240</b>

- ✓ We are pleased to announce the addition of board certified podiatrist Yilma Kebelo, DPM. Dr. Kebelo joined us May 22nd and is available to see patients at the orthopedic clinic. He is an outstanding addition to our exceptional orthopedic team. We have already received very positive feedback from patients and staff about his professional and compassionate care.
  
- ✓ Provider recruitment activities with anticipated start dates by specialty
  - Women's Health & C-section Assist services: Marissa Diaz, PA – *June 2024*
  - Surgical First Assist services: Steve Homen, RNFA – *June 2024*
  - Behavioral Health & Primary Care: Leland Estrella, DNP, PMHNP, FNP – *July 2024*
  - Psychology: Kerri King, Ph.D. – *July 2024*
  - Psychiatry (locum tenens): Jehan Helmi, MD – *July 2024*





# Hazel Hawkins MEMORIAL HOSPITAL

## Mabie Southside/Northside Skilled Nursing Facility Board Report – JUNE 2024

To: San Benito Health Care District Board of Directors

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

### 1. Census Statistics: May 2024

Southside	2024	Northside	2024
Total Number of Admissions	12	Total Number of Admissions	1
Number of Transfers from HHH	12	Number of Transfers from HHH	0
Number of Transfers to HHH	5	Number of Transfers to HHH	0
Number of Deaths	1	Number of Deaths	1
Number of Discharges	10	Number of Discharges	0
Total Discharges	11	Total Discharges	1
<b>Total Census Days</b>	<b>1207</b>	<b>Total Census Days</b>	<b>1277</b>

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: May 2024

Southside	From	Payor	Northside	From	Payor
6	HHMH	Medicare	1	HOME	Medi-Cal
1	HHMH	Medi-cal			
5	HHMH/Re-Admit	CCA			
<b>Total: 12</b>			<b>Total:</b>		

### 3. Total Discharges by Payor: May 2024

Southside	2024	Northside	2024
Medicare	5	Medicare	0
Medicare MC	0	Medicare MC	0
CCA	6	CCA	0
Medical	0	Medical	0
Medi-Cal MC	0	Medi-Cal MC	0
Hospice	0	Hospice	1
Private (self-pay)	0	Private (self ay)	0
Insurance	0	Insurance	0
<b>Total:</b>	<b>11</b>	<b>Total:</b>	<b>1</b>

#### 4. Total Patient Days by Payor: May 2024

<b>Southside</b>	<b>2024</b>	<b>Northside</b>	<b>2024</b>
Medicare	119	Medicare	40
Medicare MC	0	Medicare MC	0
CCA	964	CCA	1023
Medical	62	Medical	171
Medi-Cal MC	0	Medi-Cal MC	0
Hospice	31	Hospice	11
Private (self-pay)	31	Private (self-pay)	31
Insurance	0	Insurance	0
Bed Hold / LOA	10	Bed Hold / LOA	1
<b>Total:</b>	<b>0</b>	<b>Total:</b>	<b>1277</b>
<b>Average Daily Census</b>	<b>1217</b>	<b>Average Daily Census</b>	<b>41.19</b>



To: San Benito Health Care District Board of Directors  
From: Bernadette Enderez, Director of Diagnostic Services  
Date: June 2024  
Re: Laboratory and Diagnostic Imaging

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Updates:

**Laboratory**

1. Quality Assurance/Performance Improvement Activities
  - Working with Nursing departments on a process improvement for blood transfusion documentation.
  - Ongoing staff training on use of Atlas and ABN notice.

2. Laboratory Statistics

	May 2024	YTD
Total Outpatient Volume	3868	19804
Main Laboratory	1110	5858
HHH Employee Covid Testing	14	46
Mc Cray Lab	927	5217
Sunnyslope Lab	391	1918
SJB and 4 <sup>th</sup> Street	52	236
ER and ASC	1374	6529
Total Inpatient Volume	327	1241

**Diagnostic Imaging**

1. Service/Outreach
  - Ongoing evaluation of low dose lung screening exam as a new service offering.
2. Quality Assurance/Performance Improvement Activities
  - Currently working with the Radiology group for the teleradiology team to perform final reads on exams.



### 3. Diagnostic Imaging Statistics

	May 2024	YTD
Radiology	1839	8899
Mammography	711	3617
CT	879	4434
MRI	181	808
Echocardiography	122	588
Ultrasound	818	3881



TO: San Benito Health Care District Board of Directors  
FROM: Liz Sparling, Foundation Director  
DATE: June 2024  
RE: Foundation Report

The Hazel Hawkins Hospital Foundation Board of Trustees met on June 13 at Noon the in the Horizon Room.

### Financial Report

### May

1. Income	\$ 34,246.37
2. Expenses	\$ 31,137.77
3. New Donors	11
4. Total Donations	244

### Allocations

- \$600K from the 2023/2024 Campaign Funds to be placed in a 9 month CD at Edward Jones.
- Endoscopy Scope for the Surgery Center from Campaign Funds up to \$61,000.
- \$500 from the Women's Center Fund to purchase Car seats, breastfeeding pillows and Haakaas for the upcoming World Breastfeeding Week Drive Thru event.

### Directors Report

- Our taxes or completed. We will begin to work on our audit July 1st.
- The San Benito Leadership Institute held interviews over the last two weeks and have 26 applicants....including three Hospital Employees. They are all very strong candidates and the class looks to be a great group.
- We don't have a meeting in July so our next Foundation Board meeting will be August 8th.

### Scholarship Committee:

- We had 14 applications submitted and allocated \$21,250 to the awardees. Out of the 14 recipients, seven of them are employees at HHH! The Foundation presented certificates and checks to the awardees on June 5. See pictures of recipients.













### Dinner Dance Report:

- We are excited about our in person Dinner Dance this year on **November 2<sup>nd</sup>** at the Paicines Ranch. Please mark your calendars! We have updated our sponsor benefits package and are working event logistics. Brynn Gho is our new Live Auction Chair. Please let her know if you have an item to donate or if you have ideas on who to contact for items. Our Save the Date is being printed and will be mailed out in late June.



## MARKETING

### • Social Media Posts

	Our Patient Payment Center has moved and is now conveniently located in the Main Hospital just past the Gift Shop. Tue, Jun 18	Post reach 872	Engagement 99
	In observance of Juneteenth, the Community Health Clinics will be closed on Wednesday, June 19th. The Main Hospital's Outpatient Lab and Radiology will be open 8 am - 2 pm, McCray Lab open 6 am - 2 pm and Sunnyslope Lab open 7 am - 11 am. As always, the Emergency Department is open 24/7. Tue, Jun 18	Post reach 481	Engagement 25
	Consider giving the "Gift of Life" by donating blood. Our next Blood Drive takes place on Wednesday, June 26th. For more information call 888-723-7831 or visit <a href="https://sbcdonor.org/donor/schedules/drive_schedule/13291">https://sbcdonor.org/donor/schedules/drive_schedule/13291</a> Fri, Jun 14	Post reach 280	Engagement 8
	Thanks to everyone who stopped by to visit our booth at the Kids in the Park Event today. Many thanks to our staff members, Certified Lactation Consultant, Jana Tomasini; Social Worker Stephanie Vallin; Patty Smith; and Volunteer, Andria Butler for setting up the Breastfeeding/Diaper Changing Area and spending the day greeting everyone.... Wed, Jun 12	Post reach 1,058	Engagement 320
	Behind the Scenes... PHARMACY DEPARTMENT When most people think about a hospital, they think about doctors and nurses. However, a hospital staff is made up of many employees that you might not see, but are an integral part of keeping our hospital functioning and assisting our patient care teams in their daily duties. The tasks of a... Wed, Jun 5	Post reach 923	Engagement 305
	OUR AMAZING OB STAFF DOES IT AGAIN! Our OB Staff received their 3rd consecutive Maternal Data Center Superstar Award from the California Maternal Quality Care Collaborative. Click link to read more: <a href="https://www.hazelhawkins.com/images/HMH-Achieves-Maternal-Data-Center-Superstar-Award.pdf">https://www.hazelhawkins.com/images/HMH-Achieves-Maternal-Data-Center-Superstar-Award.pdf</a> Mon, Jun 3	Post reach 866	Engagement 289
	Behind the scenes.... Materials Management/Purchasing This amazing team orders and keeps track of every single item that goes through our facilities. Materials management in hospitals includes the strategic planning, procurement, storage, distribution, and utilization of materials and supplies essential for providing healthcare... Fri, May 31	Post reach 884	Engagement 261
	Behind the Scenes... IT DEPARTMENT When most people think about a hospital, they think about doctors and nurses. However, a hospital staff is made up of many employees that you might not see, but are an integral part of keeping our hospital functioning and assisting our patient care teams in their daily duties. Our IT team consists of... Tue, May 28	Post reach 1,085	Engagement 516
	In observance of Memorial Day, the Community Health Clinics and Satellite Lab locations will be closed on Monday, May 27. The Main Hospital's Outpatient Lab and Radiology will be open 8 am - 2 pm. As always, the Emergency Department is open 24/7. Mon, May 27	Post reach 385	Engagement 7
	In observance of Memorial Day on Monday, May 27, our Community Health Centers and Satellite Lab locations will be closed. The Main Hospital Outpatient Lab and Radiology will be open from 8 am - 2 pm. The Emergency Department is always open 24/7. Sun, May 26	Post reach 344	Engagement 9

## EMPLOYEE ENGAGEMENT

### Employees:

- Employee Forums (Insight Update) - June 17 & 18
- "Behind the Scenes" - highlighting behind the scenes departments/employees on social media

## MEDIA

### Public:

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

- Press Releases
  - HHMH Achieves Maternal Data Center Superstar Award
  - HHMH Moves to Continue Negotiations with Insight

### VIDEO'S POSTED ON SOCIAL MEDIA

- Congratulations to Auxiliary Scholarship Recipients
- Celebrating HHH Family Graduates

## COMMUNITY

- Assisted Jana Tomasini with materials to represent HHH at the Kid's in the Park event
- Provided breakfast burritos and continental breakfast for Kid's in the Park volunteers
- Announcing Rodeo Parade
- Participating in County-wide Active Attacker Table Top Drill

### PMO Project Summary Report

**Date: 6.17.24**

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

<u>Project Name</u>	<u>Project Description</u>	<u>Start Date</u>	<u>Target Completion Date</u>	<u>Current Status</u>	<u>Key Deliverables</u>
Access eForms/Passport	Access Passport is a web-based forms solution that provides access to the functional elements you need to remove all paper from your forms processes—making them completely electronic from start to finish.	4/29/24	11/30/24	ADT is needed. We are waiting on MT to give us an implementation date. This is on hold until this interface is installed.	New registration forms and new hardware install
BD Anti Diversion & Pyxis Install	Install larger Pyxis in ICU. Current one will go to OB Surg. Install new in PACU and outside OR. Returning Anesthesia units. Implement pharmacy diversion software across all.	2/9/24	TBD	Data extracts and mapping tables are being worked on. This lies with the pharmacy department	Install add'l units and move units Install diversion software on units Install data drops and electrical
Bepoz	Add employees and employee numbers to Bepoz to allow for charging and payroll deduction of café charges	6/3/24	7/31/24	Waiting for report of employees and numbers	Building of employees for payroll deduction in the cafe





Contract Management Software	Demo, choose and build contract management repository	5/6/24	6/30/24	Purchasing staff is entering contracts	Demo and selection of software
EHR Project	Identify and demo EHR systems	2/14/24	TBD	2 <sup>nd</sup> phase initiated for Expanse – ROI data being captured	ROI data compiled by Finance
Green Security Vendor Credentialing	Institutional safety company that combines credentialing and background investigation with advanced onsite technologies to control, manage, and monitor the access of ALL non-employees	2/29/24	7/31/24	Contract is with legal for approval	Manage, track, background check, and credential ALL non-employees entering the hospital
Insight Due Diligence	Coordinate gathering of data and put in data room	3/19/24	6/30/24	Data room established. We are about 60% completed	Collect data and populate new data room
MD Staff	MD-Staff is a feature rich enterprise level credentialing system that is powerful, user friendly, and intuitive.	3/18/24	20-30 Weeks	Test Conversion Scheduled for 6/124	Provide Merge Documents and priv forms Training Upload checklists
Promoting Interoperability	Meet measures and successfully attest to CMS regulations	1/5/24	Q4 – calendar year (Oct-Nov-Dec)	In process- waiting on Iatric vendor for information	Attest and report out successful completion of identified measures



Securitas/Hugs	Enterprise-wide protection to infant and pediatric patients of all ages, including well newborns	5/28/24	TBD	SOW needs signature, then resources allocated	HUGS enterprise solution with tags
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**Completed Projects – FYE 6.30.24**

<b><u>Project Name</u></b>	<b><u>Project Description</u></b>	<b><u>Start Date</u></b>	<b><u>Completion Date</u></b>	<b><u>Key Achievements</u></b>	<b><u>Lessons Learned</u></b>
OBS hours	Audit needed to determine OBS patients and LOS	4/24/24	5/1/24	Provided requested data by USACS	OBS LOS report is in days, not hours. Conversion to median had to be added
MSDS	Download MSDS database for offline availability and for TJC compliance	5/21/24	5/27/24	TJC compliance	Contact support as needed and update file as new items are added
Sysco Par levels	Create par levels for ordering in the cafe	6/6/24	6/13/24	Consistent weekly ordering	Download available data in Sysco portal more often to retain data
Café Survey	Create and track survey regarding HHH cafe	6/10/24	6/15/24	Visibility into customer satisfaction with cafe	Nuances around Using Google with QR codes and emails
Insight Health Visit	Coordinate Insight community visit	2/22/24	3/14/24	Introductions, data sharing, community involvement	Over-communicate



Midas Risk Pharmacy	Edit worklists to change direction of med errors to go to Pharm first to ensure MERP regulatory information is entered	4/1/24	4/4/24	Regulatory compliance	Tiffany is awesome! (I kind of already knew this.) She learned a process from a 10 min training session
Statit	Schedule, coordinate and attend STATIT training for new Med staff director	2/26/24	2/28/24	Med staff department trained on software for OPPE	Staff will need additional training when they start using the software
Telephone Answering Service	Research and provide options to Mishel of other answering services	3/27/24	4/8/24	Options provided to management that afforded them information to make an informed decision	Most companies want to meet with you to sell additional services
TMS	Add district assets to the Eng WO system to allow coordinating and Prev Maint scheduling	12/1/23	3/4/24	Entering of this data increases reporting capabilities and tracking of assets	Links to other pieces of data need to be available first before assets can be entered

MM Charge master	Ensure charge codes for RAD are entered and general cleanup of MM charge master	4/5/24	TBD	Completed	Initial entry of data needs to be clean
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### **Metrics and Reporting**

Surveys are being sent out to the project owners upon close of their project. We will utilize this feedback to improve our project management processes.

## CEO Report June 2024

### **Financial Emergency Update**

- Continue to meet with Ad Hoc Committee to work on definitive terms with Insight.
- Communicating with SBC Elections Office to understand the November Election Calendar.
- Conducted two employee forums to update staff on Insight and to answer questions. Insight representatives were present to answer questions.

### **CEO Activities**

- HHH successfully completed our tri-annual Joint Commission Survey. There were three inspectors present from Joint Commission for the three-day survey. They inspected all eight clinics and the acute care areas focusing on; Life Safety, Leadership, Quality, and Environment of Care.
- Attended the DHLF quarterly meeting for CEO's and CFO's. Topics discussed included; OCHA spending targets for Healthcare, QIP supplemental funding, AB 1423, AB 2098 – Loan Extensions, SB 1432 – Seismic
- Asked to provide testimony at State Senate Health Committee in Sacramento on June 25 on two bills; AB 2098 – extending CHFFA Bridge Loans and AB 3275 which will improve claims reimbursement timelines for hospitals.
- Working with the High School to have students complete their shadowing hours this summer to kick off the 2024-2025 Healthcare Pathway.

### **HR**

- The monthly turnover rate for the hospital is slightly up to 2% with the overall rate at 7.4%.

## HUMAN RESOURCES DASHBOARD 2024

DEPARTMENTAL METRICS	January	February	March	April	May	YTD
# Employees	667	676	679	681	683	677
# New Hires	15	17	10	10	18	70
# Terminations	7	10	10	9	14	50
Overall Turnover	1.0%	1.5%	1.5%	1.3%	2.0%	7.4%
Nursing Turnover	0.78%	1.53%	2.3%	1.6%	3.1%	9.3%

Terms By Union	January	February	March	April	May	
The California Nurses Association (CNA)	1	2	3	2	4	12
National Union of Healthcare Workers (NUHW)	4	7	7	4	8	30
California License Vocational Nurses (CLVN)	0	0	0	2	0	2
Engineers and Scientists of California (ESC)	0	0	0	0	0	0
Non-Union	2	1	0	1	2	6

Terms By Reason (V=Voluntary & IV= Involuntary)	January	February	March	April	May	
Personal (V)	2	3	2	3	2	12
Retirement (V)	4	2	1	0	2	9
Schedule (V)	1	0	1	0	1	3
Job Abandonment (V)	0	2	0	0	0	2
No Reason Given (V)	0	2	2	4	6	14
Relocating (V)	0	0	1	0	1	2
No Show (V)	0	0	0	1	0	1
RIF(IV)	0	0	0	0	1	1
Performance (IV)	1	1	3	1	1	7

## Interim Chief Nursing Officer Report

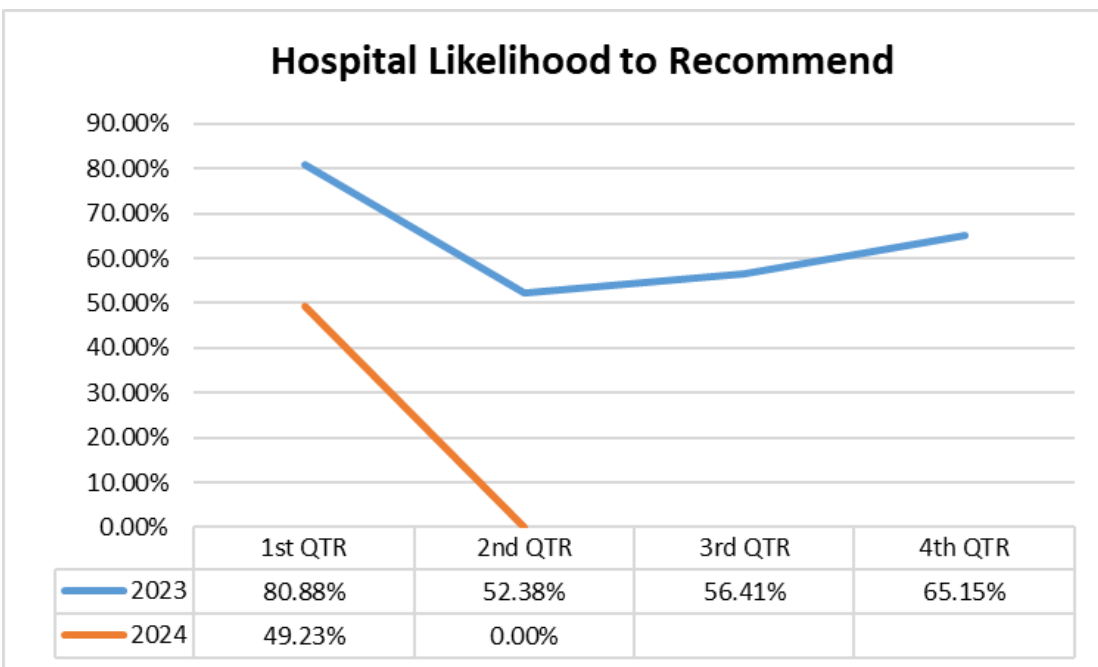
June 2024

### Patient Care Services

- Staff Educator position posted
- Revamping Care Experience Program
- Employee Activities Committee
  - Years of Service Recognition

### Quality, Regulatory, & Utilization Management

- Jorge Ramirez – Security and Emergency Management Director started 6/17
- Working with Quality, Accreditation, and Organizational Leadership to adopt process of continual survey readiness





## CNO Dashboard May 2024

Description	Target	Jan-24	Feb-24	Mar-24	Apr-24	May-24	YTD 2024
ED Visits	2370	2249	2093	2239	2334	2590	11505
ED Admission %	10%>	6%	6%	6%	5%	5%	5.6%
LWBS %	< 2.0%	0.04%	0.06%	0.08%	1.60%	1.20%	0.596
Door to Provider	10 min	7 min	7 min	7 min	7 min	8 min	7.2 min
MS admissions	120	107	103	121	106	110	547
ICU admissions	22	22	28	29	21	19	119
Deliveries	39	32	28	38	26	37	161
OR Inpatient	40	24	40	39	34	45	182
OR Outpatient	12	8	7	11	13	12	51
ASC	141	104	130	105	151	157	647
GI	94	69	85	81	108	115	458

San Benito Health Care District  
Finance Committee Minutes  
June 20, 2024 - 4:30pm

Present: Jeri Hernandez, Board President  
Rick Shelton, Board Treasurer  
Mark Robinson, Chief Financial Officer  
Amy Breen-Lema, Vice President Clinic, Ambulatory & Physician Services  
Sandra DiLaura, Controller

Public: G.W. Devon Pack, Board Member

**1. CALL TO ORDER**

The meeting of the Finance Committee was called to order at 4:30pm.

**2. REVIEW FINANCIAL UPDATES**

**A. May 2024 Financial Statements**

For the month ending May 31, 2024, the District's Net Surplus **(Loss)** is \$1,910,614 compared to a budgeted Surplus **(Loss)** of \$650,980. The District exceeded its budget for the month by \$1,259,634.

YTD as of May 31, 2024, the District's Net Surplus **(Loss)** is \$13,826,249 compared to a budgeted Surplus **(Loss)** of \$1,306,772. The District is exceeding its budget YTD by \$12,519,477.

Acute discharges were 160 for the month, under budget by 56 discharges or 26%. The ADC was 13.65 compared to a budget of 19.25. The ALOS was 2.64. The acute I/P gross revenue was under budget by **\$2.65 million** while O/P services gross revenue was **\$2.4 million** or 9% over budget. ER I/P visits were 131 and ER O/P visits were over budget by 432 visits or 21%. The RHCs & Specialty Clinics treated 4,092 (includes 591 visits at the Diabetes Clinic) and 1,145 visits respectively.

**Other Operating** revenue was over budget by **\$165,152** due mainly to the QIP PY 5 True-up payment of **\$225,319.94**.

**Operating Expenses** exceeded budget by **\$398,818** due mainly to negative variances in: Registry of \$295,737, Professional Fees of \$140,932 and Purchase Services of \$238,549. These negative variances in expenses were partially off-set by positive variances in Employee Benefits of \$306,478.

**Non-operating Revenue** was lower than budget by **\$57,992** due mainly to other non-operating expense being over by \$52,754 from the property tax fee.

The SNFs ADC was **80.10** for the month. The Net Surplus **(Loss)** is **(\$233,139)** compared to a budget of \$222,494. YTD, the Net Surplus **(Loss)** is \$3,099,311 exceeding its budget by \$672,316.

**B. May 2024 Finance Dashboard**

The Finance Dashboard and Cash Flow Statement were reviewed by the Committee.

**C. Other Financial Updates**

Other items noted included:

- Supplemental Payment Program in detail and when to expect reimbursements.

**3. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF BOARD APPROVAL OF REVISIONS TO DISTRICT BOARD APPROVAL POLICY.**

Removal of COO due to this position no longer being part of the district. Approval of individual and group contracts including physician groups if they do not exceed the 90<sup>th</sup> percentile of Fair Market Value to be approved at the CEO and CFO level. The Finance Committee recommends this project for Board approval.

**4. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF KERRI KING, PH. D. PROFESSIONAL SERVICES AGREEMENT.**

The Professional Services Agreement is for a part-time (up to 10 hours/week) clinic-based psychologist effective date July 19, 2024, a 1 year term, and 60-day termination clause. The base daily rate will be set within median percentile of fair market value at \$225 per clinical hour, estimated monthly cost of \$9,562. The Finance Committee recommends this resolution for Board approval.

**5. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF RALPH ARMSTRONG, D.O. ADDENDUM NUMBER 4.**

Renewal of Professional Services Agreement Addendum number 4 to bring up to market his emergency call day to \$1,500 per 24hr call day, effective date July 1, 2024. The Finance Committee recommends this resolution for Board approval.

**6. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF JULLIAN P. NGUYEN, M.D., SPORTS & FAMILY MEDICINE CORPORATION ADDENDMENT NUMBER 2.**

Renewal of Professional Services Agreement number 2 at a 3% increase to his compensation, effective date July 1, 2024 for a 2-year term. The Finance Committee recommends this resolution for Board approval.

**7. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF 401(a) PENSION PLAN.**

Defined Contribution Plan with an up to 4% employer contribution. Investment options, like mutual funds, are provided for employees to choose from based on the preferences and risk tolerance. As a qualified plan, assets are protected from creditors and only can be used for paying participants and beneficiaries. The Finance Committee recommends this resolution for Board approval.

**8. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF FYE 06/30/25 OPERATION AND CAPITAL BUDGETS.**

The District's budget reflects the trend of non-growth in the acute inpatient census for the year. The SNFs will need to steadily increase their census in order to meet an ADC of 85 for the new fiscal year. The District's Net Surplus (Loss) is budgeted to be \$6.87 million compared to an estimated pre-audited earnings of \$12.68 million for FYE June 30, 2024. The EBIDA target for the FY 2025 budget is \$9.67 million (6.4%). The estimated FY 2024 pre-audit EBIDA is \$15.7 million (10.5%). The earnings growth results in a net gain in cash flow of \$7.78 million. The District is budgeted to meet its Cal-Mortgage Bond requirements for the FYE June 30, 2025. The District should remain a Critical Access Hospital in order to remain financially viable until an alternative strategy for growth can be implemented. The Finance Committee recommends this resolution for Board approval.

**9. ADJOURNMENT**

There being no further business, the Committee was adjourned at 5:34 pm.

Respectfully submitted,

Sandra DiLaura  
Controller



# Hazel Hawkins

MEMORIAL HOSPITAL

**REGULAR AND SPECIAL MEETING OF THE FINANCE COMMITTEE  
SAN BENITO HEALTH CARE DISTRICT  
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA  
THURSDAY, JUNE 20, 2024 - 4:30 P.M.  
SUPPORT SERVICES BUILDING, 2<sup>ND</sup> FLOOR – GREAT ROOM**

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

1. Call to Order
2. Approve Minutes of the Finance Committee Meeting of May 16, 2024
  - Motion/Second
3. Review Financial Updates
  - Financial Statements – May 2024
  - Finance Dashboard – May 2024
  - Supplemental Payments – May 2024
4. Consider Recommendation for Board Approval of Revisions to District Board Approval Policy
  - Report
  - Committee Questions
  - Motion/Second
5. Consider Recommendation for Board Approval of Kerri King, Ph. D. Professional Services Agreement
  - Report
  - Committee Questions
  - Motion/Second
6. Consider Recommendation for Board Approval of Ralph Armstrong, D.O. Addendum number 4
  - Report
  - Committee Questions
  - Motion/Second
7. Consider Recommendation for Board Approval of Jullian P. Nguyen, M.D., Sports & Family Medicine Corporation Amendment number 2
  - Report
  - Committee Questions
  - Motion/Second



# Hazel Hawkins

## MEMORIAL HOSPITAL

8. Consider Recommendation for Board Approval of 401(a) Pension Plan
  - Report
  - Committee Questions
  - Motion/Second
9. Consider Recommendation for Board Approval of FYE 06/30/25 Operating and Capital Budgets
  - Report
  - Committee Questions
  - Motion/Second

### 10. 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.

### 11. Adjournment

The next Finance Committee meeting is scheduled for **Thursday, July 18, 2024 at 4:30 p.m.**

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

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



May 20, 2024

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

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HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED  
HOLLISTER, CA 95023  
FOR PERIOD 05/31/24

	CURRENT MONTH				YEAR-TO-DATE					
	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23
GROSS PATIENT REVENUE:										
ACUTE ROUTINE REVENUE	3,237,733	4,657,114	(1,419,382)	(31)	3,195,325	35,989,474	48,706,174	(12,716,700)	(26)	44,195,923
SNF ROUTINE REVENUE	1,868,700	2,092,500	(223,800)	(11)	2,188,650	22,866,868	22,680,000	186,868	1	22,612,450
ANCILLARY INPATIENT REVENUE	4,136,534	5,493,001	(1,356,467)	(25)	4,637,727	44,743,246	56,936,987	(12,193,741)	(21)	53,116,669
HOSPITALIST\PEDS I/P REVENUE	158,278	190,834	(32,557)	(17)	156,152	1,837,230	2,068,384	(231,154)	(11)	1,914,016
TOTAL GROSS INPATIENT REVENUE	9,401,244	12,433,449	(3,032,205)	(24)	10,177,854	105,436,817	130,391,545	(24,954,728)	(19)	121,839,057
ANCILLARY OUTPATIENT REVENUE	28,988,884	26,617,234	2,371,650	9	24,430,625	301,192,618	266,675,254	34,517,364	13	255,462,804
HOSPITALIST\PEDS O/P REVENUE	80,525	61,407	19,118	31	33,678	774,916	665,541	109,375	16	600,997
TOTAL GROSS OUTPATIENT REVENUE	29,069,409	26,678,641	2,390,768	9	24,464,303	301,967,534	267,340,795	34,626,739	13	256,063,801
TOTAL GROSS PATIENT REVENUE	38,470,653	39,112,090	(641,437)	(2)	34,642,156	407,404,351	397,732,340	9,672,011	2	377,902,858
DEDUCTIONS FROM REVENUE:										
MEDICARE CONTRACTUAL ALLOWANCES	9,685,889	11,245,348	(1,559,460)	(14)	9,383,541	108,540,884	114,156,806	(5,616,122)	(5)	108,817,710
MEDI-CAL CONTRACTUAL ALLOWANCES	10,058,061	10,727,153	(669,092)	(6)	8,773,762	107,875,227	108,317,857	(442,630)	0	94,735,145
BAD DEBT EXPENSE	770,155	440,170	329,985	75	216,052	7,107,011	4,463,400	2,643,611	59	4,036,775
CHARITY CARE	71,700	41,192	30,508	74	11,201	450,819	416,889	33,930	8	385,336
OTHER CONTRACTUALS AND ADJUSTMENTS	4,242,139	4,471,849	(229,710)	(5)	4,442,064	48,657,724	45,162,102	3,495,622	8	40,885,395
HOSPITALIST\PEDS CONTRACTUAL ALLOW	(25,778)	13,647	(39,425)	(289)	(26,752)	28,667	138,178	(109,511)	(79)	7,472
TOTAL DEDUCTIONS FROM REVENUE	24,802,165	26,939,359	(2,137,194)	(8)	22,799,867	272,660,132	272,655,232	4,900	0	248,867,832
NET PATIENT REVENUE	13,668,489	12,172,731	1,495,758	12	11,842,289	134,744,219	125,077,108	9,667,111	8	129,035,026
OTHER OPERATING REVENUE	747,655	582,503	165,152	28	1,022,600	6,481,739	6,407,481	74,258	1	13,890,957
NET OPERATING REVENUE	14,416,143	12,755,234	1,660,909	13	12,864,889	141,225,958	131,484,589	9,741,369	7	142,925,983
OPERATING EXPENSES:										
SALARIES & WAGES	4,781,214	4,775,351	5,863	0	4,645,574	51,356,188	51,510,341	(154,153)	0	52,365,060
REGISTRY	508,004	200,000	308,004	154	119,386	4,056,380	2,200,001	1,856,379	84	4,068,588
EMPLOYEE BENEFITS	2,148,020	2,544,407	(396,387)	(16)	2,693,456	23,137,605	26,990,475	(3,852,870)	(14)	31,666,547
PROFESSIONAL FEES	1,793,251	1,652,446	140,805	9	2,077,995	17,754,600	17,927,480	(172,881)	(1)	18,775,132
SUPPLIES	1,228,319	1,222,679	5,640	1	1,182,094	11,765,508	13,061,253	(1,295,745)	(10)	13,370,621
PURCHASED SERVICES	1,317,878	1,093,674	224,204	21	1,178,047	12,373,437	11,854,029	519,408	4	13,493,893
RENTAL	154,948	131,560	23,388	18	144,518	1,539,126	1,440,819	98,307	7	1,675,220
DEPRECIATION & AMORT	321,583	320,773	810	0	311,366	3,558,048	3,528,534	29,514	1	3,576,208
INTEREST	5,701	25,416	(19,715)	(78)	30,959	477,781	279,584	198,197	71	274,157
OTHER	487,074	436,401	50,673	12	357,865	4,794,658	4,733,829	60,829	1	4,717,128
TOTAL EXPENSES	12,745,591	12,402,707	342,884	3	12,741,260	130,813,330	133,526,345	(2,713,015)	(2)	143,982,554
NET OPERATING INCOME (LOSS)	1,670,153	352,527	1,317,626	374	123,629	10,412,627	(2,041,756)	12,454,383	(610)	(1,056,571)



HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED  
HOLLISTER, CA 95023  
FOR PERIOD 05/31/24

	CURRENT MONTH				PRIOR YR				YEAR-TO-DATE				PRIOR YR			
	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	ACTUAL 05/31/23	BUDGET 05/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	ACTUAL 05/31/23	BUDGET 05/31/23	POS/NEG VARIANCE	PERCENT VARIANCE
NON-OPERATING REVENUE\EXPENSE:																
DONATIONS	0	5,000	(5,000)	(100)	146,347	243,927	83,927	53	243,927	160,000	83,927	53	664,203	2,155,065	1,490,862	68.7%
PROPERTY TAX REVENUE	205,711	205,709	2	0	195,915	2,262,821	2,066,906	91.5%	2,262,821	2,262,816	5	0	2,155,065	2,155,065	0	0%
GO BOND PROP TAXES	170,388	170,388	0	0	164,964	1,874,265	1,709,301	91.2%	1,874,265	1,874,268	(3)	0	1,814,606	1,814,606	0	0%
GO BOND INT REVENUE\EXPENSE	(68,721)	(68,721)	0	0	(72,048)	(755,932)	(483,884)	64.1%	(755,932)	(755,931)	(1)	0	(792,523)	(792,523)	0	0%
OTHER NON-OPER REVENUE	13,603	13,843	(240)	(2)	(435,126)	191,954	627,080	327.7%	191,954	152,273	39,681	26	(298,782)	(298,782)	0	0%
OTHER NON-OPER EXPENSE	(80,520)	(27,766)	(52,754)	190	(53,761)	(399,205)	(345,444)	63.9%	(399,205)	(344,898)	(54,307)	16	(454,463)	(454,463)	0	0%
INVESTMENT INCOME	0	0	0	0	0	(4,209)	(4,209)	0%	(4,209)	0	(4,209)	0	3,379	3,379	0	0%
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0%	0	0	0	0	0	0	0	0%
TOTAL NON-OPERATING REVENUE/(EXPENSE)	240,461	298,453	(57,992)	(19)	(53,709)	3,413,622	3,467,331	101.6%	3,413,622	3,348,528	65,094	2	3,091,485	3,091,485	0	0%
NET SURPLUS (LOSS)	1,910,614	650,980	1,259,634	194	69,920	13,826,249	12,519,477	90.5%	13,826,249	1,306,772	12,519,477	958	2,034,914	2,034,914	0	0%
EBIDA	\$ 2,211,050	\$ 897,852	\$ 1,313,198	146.25%	\$ 342,131	\$ 16,665,169	\$ 12,603,302	75.7%	\$ 16,665,169	\$ 4,061,867	\$ 12,603,302	310.28%	\$ 5,043,502	\$ 5,043,502	0	0%
EBIDA MARGIN	15.34%	7.04%	8.30%	117.88%	2.66%	11.80%	8.71%	281.98%	11.80%	3.09%	8.71%	281.98%	3.53%	3.53%	0	0%
OPERATING MARGIN	11.59%	2.76%	8.82%	319.17%	0.96%	7.37%	(1.55)%	(574.81)%	7.37%	(1.55)%	8.93%	(574.81)%	(0.74)%	(0.74)%	0	0%
NET SURPLUS (LOSS) MARGIN	13.25%	5.10%	8.15%	159.68%	0.54%	9.79%	8.80%	895.01%	9.79%	0.99%	8.80%	895.01%	1.42%	1.42%	0	0%

**HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY**  
**HOLLISTER, CA 95023**  
**FOR PERIOD 05/31/24**

	CURRENT MONTH				YEAR-TO-DATE					
	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23
GROSS PATIENT REVENUE:										
ROUTINE REVENUE	3,237,733	4,657,114	(1,419,382)	(31)	3,195,325	35,989,474	48,706,174	(12,716,700)	(26)	44,195,923
ANCILLARY INPATIENT REVENUE	3,918,896	5,115,531	(1,196,635)	(23)	4,225,489	41,413,585	52,890,478	(11,476,893)	(22)	48,747,312
HOSPITALIST I/P REVENUE	159,278	190,834	(32,557)	(17)	156,152	1,837,230	2,068,384	(231,154)	(11)	1,914,016
TOTAL GROSS INPATIENT REVENUE	7,314,906	9,963,479	(2,648,573)	(27)	7,576,966	79,240,288	103,665,036	(24,424,748)	(24)	94,857,250
ANCILLARY OUTPATIENT REVENUE	28,988,884	26,617,234	2,371,650	9	24,430,625	301,192,618	266,675,254	34,517,364	13	255,462,804
HOSPITALIST O/P REVENUE	80,525	61,407	19,118	31	33,678	774,916	665,541	109,375	16	600,997
TOTAL GROSS OUTPATIENT REVENUE	29,069,409	26,678,641	2,390,768	9	24,464,303	301,967,534	267,340,795	34,626,739	13	256,063,801
TOTAL GROSS ACUTE PATIENT REVENUE	36,384,315	36,642,120	(257,806)	(1)	32,041,269	381,207,822	371,005,831	10,201,991	3	350,921,051
DEDUCTIONS FROM REVENUE ACUTE:										
MEDICARE CONTRACTUAL ALLOWANCES	9,505,049	10,962,902	(1,457,853)	(13)	9,139,291	106,111,793	111,131,276	(5,019,483)	(5)	106,124,203
MEDI-CAL CONTRACTUAL ALLOWANCES	9,656,152	10,618,845	(962,694)	(9)	8,727,736	106,175,292	107,143,931	(968,639)	(1)	95,456,312
BAD DEBT EXPENSE	752,911	430,170	322,741	75	254,769	7,198,878	4,353,400	2,845,478	65	3,978,137
CHARITY CARE	71,054	41,192	29,862	73	9,244	447,117	416,889	30,228	7	376,229
OTHER CONTRACTUALS AND ADJUSTMENTS	4,247,525	4,404,889	(157,364)	(4)	4,367,740	48,289,072	44,436,342	3,852,730	9	40,102,393
HOSPITALIST\PEDS CONTRACTUAL ALLOW	(25,778)	13,647	(39,425)	(289)	(26,752)	28,667	138,178	(109,511)	(79)	7,472
TOTAL ACUTE DEDUCTIONS FROM REVENUE	24,206,913	26,471,645	(2,264,732)	(9)	22,472,028	268,250,820	267,620,016	630,804	0	246,044,745
NET ACUTE PATIENT REVENUE	12,177,402	10,170,475	2,006,927	20	9,569,240	112,957,002	103,385,815	9,571,187	9	104,876,306
OTHER OPERATING REVENUE	747,655	582,503	165,152	28	1,022,600	6,481,739	6,407,481	74,258	1	13,890,957
NET ACUTE OPERATING REVENUE	12,925,057	10,752,978	2,172,079	20	10,591,840	119,438,742	109,793,296	9,645,446	9	118,767,263
OPERATING EXPENSES:										
SALARIES & WAGES	3,818,258	3,835,564	(17,306)	(1)	3,745,378	40,988,175	41,316,994	(328,819)	(1)	42,381,249
REGISTRY	462,737	167,000	295,737	177	86,865	3,655,529	1,837,001	1,818,528	99	3,786,541
EMPLOYEE BENEFITS	1,704,141	2,010,619	(306,478)	(15)	2,183,198	18,009,003	21,264,415	(3,255,412)	(15)	24,941,853
PROFESSIONAL FEES	1,791,041	1,650,109	140,932	9	2,075,785	17,730,290	17,901,777	(171,488)	(1)	18,750,312
SUPPLIES	1,136,476	1,133,321	3,155	0	1,090,121	10,710,764	12,083,558	(1,372,794)	(11)	12,407,271
PURCHASED SERVICES	1,224,760	986,211	238,549	24	1,100,073	11,434,802	10,689,282	745,520	7	12,435,211
RENTAL	153,205	130,516	22,689	17	143,762	1,526,254	1,429,430	96,824	7	1,664,945
DEPRECIATION & AMORT	282,596	281,320	1,276	1	271,880	3,124,596	3,094,520	30,076	1	3,142,142
INTEREST	5,701	25,416	(19,715)	(78)	30,959	477,781	279,584	198,197	71	274,157
OTHER	418,181	378,202	39,979	11	317,665	4,205,670	4,102,932	102,738	3	4,124,080
TOTAL EXPENSES	10,997,096	10,598,278	398,818	4	11,045,684	111,862,865	113,999,493	(2,136,628)	(2)	123,907,760
NET OPERATING INCOME (LOSS)	1,927,960	154,700	1,773,260	1,146	(453,844)	7,575,877	(4,206,197)	11,782,074	(280)	(5,140,497)

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY  
HOLLISTER, CA 95023  
FOR PERIOD 05/31/24

	CURRENT MONTH				YEAR-TO-DATE			
	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 05/31/23	ACTUAL 05/31/24	BUDGET 05/31/24	POS/NEG VARIANCE
NON-OPERATING REVENUE\EXPENSE:								
DONATIONS	0	5,000	(5,000)	(100)	146,347	243,927	160,000	83,927
PROPERTY TAX REVENUE	174,854	174,854	0	0	166,528	1,923,394	1,923,394	0
GO BOND PROP TAXES	170,388	170,388	0	0	164,964	1,874,268	1,874,268	(3)
GO BOND INT REVENUE\EXPENSE	(68,721)	(68,721)	0	0	(72,048)	(755,932)	(755,931)	(1)
OTHER NON-OPER REVENUE	13,603	13,843	(240)	(2)	(435,126)	191,954	152,273	39,681
OTHER NON-OPER EXPENSE	(74,331)	(21,578)	(52,753)	245	(46,474)	(322,338)	(268,030)	(54,308)
INVESTMENT INCOME	0	0	0	0	0	(4,209)	0	(4,209)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	215,792	273,786	(57,994)	(21)	(75,808)	3,151,062	3,085,974	65,088
NET SURPLUS (LOSS)	2,143,753	428,486	1,715,267	400	(529,652)	10,726,938	(1,120,223)	11,847,161
								(1,058)
								(2,283,664)

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HAZEL HAWKINS MEMORIAL HOSPITAL  
HOLLISTER, CA  
For the month ended 05/31/24

	CURR MONTH 05/31/24	PRIOR MONTH 04/30/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/23
CURRENT ASSETS					
CASH & CASH EQUIVALENT	32,506,771	20,189,620	12,317,151	61	13,649,396
PATIENT ACCOUNTS RECEIVABLE	64,285,451	64,180,254	105,197	0	51,674,982
BAD DEBT ALLOWANCE	(9,170,314)	(8,878,567)	(291,748)	3	(5,227,791)
CONTRACTUAL RESERVES	(41,958,177)	(42,283,941)	325,764	(1)	(32,708,039)
OTHER RECEIVABLES	4,963,291	16,939,999	(11,976,709)	(71)	8,381,301
INVENTORIES	3,995,792	4,034,053	(38,261)	(1)	4,057,813
PREPAID EXPENSES	2,429,977	1,862,942	567,035	30	2,042,543
DUE TO\FROM THIRD PARTIES	1,892,052	1,978,192	(86,140)	(4)	2,784,747
TOTAL CURRENT ASSETS	58,944,842	58,022,552	922,289	2	44,654,951
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	6,660,740	5,492,717	1,168,023	21	3,825,798
TOTAL LIMITED USE ASSETS	6,660,740	5,492,717	1,168,023	21	3,825,798
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	44,295,983	44,253,732	42,251	0	43,302,208
CONSTRUCTION IN PROGRESS	1,121,428	1,075,931	45,497	4	880,124
GROSS PROPERTY, PLANT, AND EQUIPMENT	148,886,258	148,798,511	87,747	0	147,651,180
ACCUMULATED DEPRECIATION	(94,075,683)	(93,739,517)	(336,166)	0	(90,362,507)
NET PROPERTY, PLANT, AND EQUIPMENT	54,810,575	55,058,993	(248,418)	(1)	57,288,673
OTHER ASSETS					
UNAMORTIZED LOAN COSTS	404,219	410,289	(6,071)	(2)	470,999
PENSION DEFERRED OUTFLOWS NET	18,285,289	18,285,289	0	0	18,285,289
TOTAL OTHER ASSETS	18,689,508	18,695,578	(6,071)	0	18,756,288
TOTAL UNRESTRICTED ASSETS	139,105,664	137,269,841	1,835,823	1	124,525,709
RESTRICTED ASSETS	17,825	17,771	54	0	125,193
TOTAL ASSETS	139,123,489	137,287,612	1,835,877	1	124,650,902

HAZEL HAWKINS MEMORIAL HOSPITAL  
HOLLISTER, CA  
For the month ended 05/31/24

	CURR MONTH 05/31/24	PRIOR MONTH 04/30/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/23
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	5,473,563	6,093,464	619,901	(10)	4,938,613
ACCRUED PAYROLL	4,132,425	3,551,272	(581,153)	16	3,345,253
ACCRUED PAYROLL TAXES	1,498,122	1,482,578	(15,543)	1	1,497,221
ACCRUED BENEFITS	6,865,305	6,519,638	(345,667)	5	6,051,228
ACCRUED PENSION (CURRENT)	4,952,331	4,953,191	860	0	5,061,807
OTHER ACCRUED EXPENSES	108,875	101,412	(7,463)	7	84,460
PATIENT REFUNDS PAYABLE	8,639	3,331	(5,308)	159	961
DUE TO\FROM THIRD PARTIES	2,308,393	2,787,136	478,743	(17)	196,789
OTHER CURRENT LIABILITIES	1,553,286	1,448,430	(104,856)	7	3,132,834
TOTAL CURRENT LIABILITIES	26,900,938	26,940,452	39,514	0	24,309,166
LONG-TERM DEBT					
LEASES PAYABLE	5,449,158	5,455,915	6,757	0	5,529,504
BONDS PAYABLE	32,990,641	33,019,161	28,520	0	34,784,361
TOTAL LONG TERM DEBT	38,439,799	38,475,076	35,277	0	40,313,865
OTHER LONG-TERM LIABILITIES					
DEFERRED REVENUE	0	0	0	0	0
LONG-TERM PENSION LIABILITY	36,485,864	36,485,864	0	0	36,485,864
TOTAL OTHER LONG-TERM LIABILITIES	36,485,864	36,485,864	0	0	36,485,864
TOTAL LIABILITIES	101,826,601	101,901,392	74,791	0	101,108,895
NET ASSETS:					
UNRESTRICTED FUND BALANCE	23,376,814	23,376,814	0	0	23,376,814
RESTRICTED FUND BALANCE	93,825	93,771	(54)	0	165,193
NET REVENUE/(EXPENSES)	13,826,249	11,915,635	(1,910,614)	16	0
TOTAL NET ASSETS	37,296,888	35,386,221	(1,910,667)	5	23,542,007
TOTAL LIABILITIES AND NET ASSETS	139,123,489	137,287,612	(1,835,877)	1	124,650,902

Description	Target	MTD Actual	YTD Actual	YTD Target
Average Daily Census - Acute	19.25	13.65	14.72	18.30
Average Daily Census - SNF	90.00	80.10	89.74	90.00
Acute Length of Stay	2.76	2.64	2.88	2.95
<u>ER Visits:</u>				
Inpatient	132	131	1,333	1,713
Outpatient	2,027	2,459	23,137	21,402
Total	2,159	2,590	24,470	23,115
Days in Accounts Receivable	45.0	52.8	52.8	45.0
Productive Full-Time Equivalents	500.90	509.78	487.78	500.90
Net Patient Revenue	12,172,731	13,668,489	134,744,219	125,077,108
Payment-to-Charge Ratio	31.1%	35.5%	33.1%	31.4%
Medicare Traditional Payor Mix	30.13%	24.99%	26.86%	30.41%
Commercial Payor Mix	22.12%	22.65%	23.10%	21.56%
Bad Debt % of Gross Revenue	1.12%	2.00%	1.76%	1.12%
EBIDA	897,852	2,211,050	16,665,169	4,061,867
EBIDA %	7.04%	15.34%	11.80%	3.09%
Operating Margin	2.76%	11.59%	7.37%	-1.55%
Salaries, Wages, Registry & Benefits %:				
by Net Operating Revenue	58.95%	51.59%	55.62%	61.38%
by Total Operating Expense	60.63%	58.35%	60.05%	60.44%
<u>Bond Covenants:</u>				
Debt Service Ratio	1.25	9.62	9.62	1.25
Current Ratio	1.50	2.19	2.19	1.50
Days Cash on hand	30.00	85.60	85.60	30.00
Met or Exceeded Target				
Within 10% of Target				
Not Within 10%				

**Statement of Cash Flows**  
**Hazel Hawkins Memorial Hospital**  
**Hollister, CA**  
**Eleven months ending May 31, 2024**

	CASH FLOW		COMMENTS
	Current Month 5/31/2024	Current Year-To-Date 5/31/2024	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$1,910,614	\$13,826,249	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	336,166	3,713,182	
(Increase)/Decrease in Net Patient Accounts Receivable	(139,215)	582,190	
(Increase)/Decrease in Other Receivables	11,976,709	3,413,008	
(Increase)/Decrease in Inventories	38,261	62,021	
(Increase)/Decrease in Pre-Paid Expenses	(567,035)	(387,435)	
(Increase)/Decrease in Due From Third Parties	86,140	892,695	
Increase/(Decrease) in Accounts Payable	(619,901)	534,954	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	941,504	1,492,669	
Increase/(Decrease) in Accrued Expenses	7,463	24,413	
Increase/(Decrease) in Patient Refunds Payable	5,308	7,677	
Increase/(Decrease) in Third Party Advances/Liabilities	(478,743)	2,111,604	
Increase/(Decrease) in Other Current Liabilities	104,856	(1,579,547)	Semi-Annual Int. - 2005 GO & 2021 Revenue Bonds
<b>Net Cash Provided by Operating Activities:</b>	<b>11,691,513</b>	<b>10,867,431</b>	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(87,747)	(1,235,079)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	(1,168,023)	(2,834,942)	Bond Principal & Int Payment - 2014 (2005) & 2021 Bonds
(Increase)/Decrease in Other Assets	6,071	66,781	Amortization
<b>Net Cash Used by Investing Activities</b>	<b>(1,249,699)</b>	<b>(4,003,240)</b>	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Capital Lease Debt	(6,757)	(80,345)	
Increase/(Decrease) in Bond Mortgage Debt	(28,520)	(1,793,720)	
Increase/(Decrease) in Other Long Term Liabilities	0	0	2014 GO Principal & Refinancing of 2013 Bonds with 2021 Bonds
<b>Net Cash Used for Financing Activities</b>	<b>(35,277)</b>	<b>(1,874,065)</b>	
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	41,000	
<b>Net Increase/(Decrease) in Cash</b>	<b>12,317,151</b>	<b>18,857,375</b>	
Cash, Beginning of Period	20,189,620	13,649,396	
<b>Cash, End of Period</b>	<b>\$32,506,771</b>	<b>\$32,506,771</b>	\$0

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

\$379,762

85.60



[illegible]

Hazel Hawkins Memorial Hospital  
Supplemental Payment Programs  
As of May 31, 2024

Payor	FY 2024	FY 2023	Notes:
<b>Intergovernmental Transfer Programs:</b>			
- AB 113 Non-Designated Public Hospital (NDPH)			
SFY 2021/2022 True up for ACA	-	170,899	Received in June 2023.
SFY 2022/2023 Interim	-	418,640	Letter to participate sent by March 24, 2023 deadline. Rec'd 06/15/23.
SFY 2022/2023 Final Payment	421,872	-	Paid on 04/17/24, \$156,525.63, funds expected in May/June.
SFY 2023/2024 Interim	434,472	-	Paid on 04/24/24, \$506,883.51, funds expected in May/June.
- SB 239 Hospital Quality Assurance Fund (HOAF) CY 2022	2,405,548	2,277,244	Net amount rec'd on November 1, 2023 check for CY 2022.
- SB 239 Hospital Quality Assurance Fund (HOAF) CY 2023	2,432,278	-	IGT by March 22, 2024 of \$1,257,738, funds expected in May/June.
- Rate Range Jan. 1, 2022 through Dec. 31, 2022	1,025,179	-	IGT by Feb. 23, 2024 of \$472,508, funds expected in April/May.
- Rate Range Jan. 1, 2021 through Dec. 31, 2021	-	1,180,145	Funding of \$347,021 sent by 02/17/2023. Rec'd in May 2023.
- QIP PY 5 Settlement	-	-	IGT by Feb. 16, 2024 of \$1,891,350.65, funds expected in April/May.
- QIP PY 4 1st Loan Repayment	3,459,757	-	Paid on 02/26/2024.
- QIP PY 4 2nd Loan Repayment	(1,253,000)	-	Paid on 04/08/2024.
- QIP PY 4 Settlement	(1,222,438)	3,713,527	\$1,044,187 funding sent by 02/17/2023. Plan returns May/June 2023.
- QIP PY 4 Final True-up	-	1,245,805	Final True-up payment received on 06/02/2023.
<b>IGT sub-total</b>	<b>7,703,668</b>	<b>9,006,259</b>	
<b>Non-Intergovernmental Transfer Programs:</b>			
- AB 915	5,351,107		<b>Direct Payments.</b>
- SB 239 Hospital Quality Assurance Fund (HOAF)	4,143,717	3,029,540	Received on March 11, 2024.
- SB 239 Hospital Quality Assurance Fund (HOAF)	2,139,154	3,919,883	Three of the four Qtrly payments should be received by June 30, 2024.
- Distinct Part, Nursing Facility (DP/NF)	2,139,154	-	1st & 2nd Qtrs rec'd on March 19, 2024. & May 23, 2024
- Medi-Cal Disproportionate Share (DSH)	1,297,140	1,048,233	Based on actual cost difference.
- QIP PY 5	-	3,090,086	Includes FY 2023 true-up \$607,644 and Jul - December FY 2024.
<b>Non-IGT sub-total</b>	<b>9,719,166</b>	<b>11,087,742</b>	Loan funds received 1st week of January. Due January 3, 2025.
<b>CARES Act (COVID-19) Programs:</b>			
- Cares Act Phase 4	-	-	Rec'd 12/16/2021. One-time funding.
- American Rescue Plan (ARP)	-	-	Rec'd 11/23/2021. One-time funding.
- SHIP Grant	-	258,376	Will be used for COVID expenses.
- Payroll Tax delay Pay dates 4/3 - 12/31/2020	-	(1,143,961)	Liability: 50% due 12/31/21 & 50% due 12/31/22.
<b>sub-total</b>	<b>-</b>	<b>(885,585)</b>	
<b>Program Grand Totals</b>	<b>17,422,834</b>	<b>19,208,416</b>	
Total Received	14,427,336	18,075,133	
Total Pending	2,995,498	1,133,283	
	17,422,834	19,208,416	



## Policy : District Board Approval

### PURPOSE

To provide guidelines for the San Benito Health Care District (District) Board Members for when their approval is required in addition to the CEO, COO, or CFO of the organization for contracting with the entities needed in order to operate the District.

The policy covers clinical and non-clinical service agreements including direct patient care and support service agreements.

### CONTRACTS

1. Purchase Service Agreements are for services that the District does not provide with its own employees. Examples of these agreements would include the Pharmacy, HIM, and Security departments.
2. Operational Leases are for equipment that the District does not own. Examples of these agreements would be the E.H.R. systems such as MediTech and eCW and copier machines.
3. Maintenance Service Agreements are for service coverage for equipment whether it is owned or leased by the District. Examples would include but are not limited to the MRI, CT Scanners, and other machines used in the Radiology department.
4. Property Rental Leases are for property the District does not own. Examples include the Lab Draw station on McCray and the 4th Street, San Juan Bautista, and Barragan Rural Healthcare Clinics.

For all contracts listed under this section, only those that have a term of greater than one year and a cost in excess of \$100,000 annually are required to be presented to the Finance Committee and recommended to the District Board for approval. The CEO, COO, and CFO are authorized to approve the agreements that do not meet the aforementioned criteria.

### CAPITAL EXPENDITURES

1. Budgeted capital expenditures that are included in the annual Capital Budget presented to the District Board with the annual Operational Budget for approval will be considered approved throughout the fiscal year. The CEO, COO, and CFO will be authorized to execute the expenditures when the timing is deemed appropriate and the cost is within 15% in excess of the approved budgeted cost.
2. Non-budgeted capital expenditures will be brought to the Finance Committee and District Board for approval if the cost exceeds \$100,000. This includes equipment that is required for new services and functions, to replace obsolete units, and add additional units.

## PHYSICIAN / PROVIDER AGREEMENTS

1. Individual and Group Contracts including physician groups that provide medical coverage for the Hospital including but not limited to the Emergency Department, Hospitalists program, and Pediatric on-call for the OB department or whom are contracted to provide coverage in the District's clinics.
2. Extension of agreements that exceed the 90th %ile of Fair Market Value (FMV) of provider compensation with appropriate market justification.
3. Office Leases refer to the agreements where the District is the landlord and the physician is the tenant or the District is the tenant and the physician is the landlord. A fair market assessment for comparable rental units in the area will be completed prior to the agreement being presented to the District Board.

Prior to being presented to the Finance Committee for a recommendation, all physician agreements will comply with the **Fair Market Value Policy** and **Physician Services Contract Policy** and **Procedure** policies included in the Administrative Policy Manual. The CEO and CFO are authorized to approve the agreements that do not meet with aforementioned criteria.

**Document Owner:**

Robinson, Mark

**Collaborators:**

Breen-Lema, Amy  
Matsui, Toshi  
Pfeiffer, Kimberly

### Approvals

- Committees:

- Signers:

**Original Effective Date:**

10/04/2022

**Revision Date:**

[08/27/2021], [08/02/2022], [10/04/2022 Rev. 0], [04/18/2023 Rev. 1]

**Review Date:**

[08/26/2021]

**Attachments:**

(REFERENCED BY THIS DOCUMENT)

**Other Documents:**

(WHICH REFERENCE THIS DOCUMENT)

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

<http://hzh-iis.hazelhawkins.com/lucidoc/?returnto=%2Fcgi%2Fdoc-gw.pl%3Fref%3Dhmmh%3A11539%242>.

**Board of Directors Contract Review Worksheet**

*Agreement for Professional Services with Kerri King, Ph. D.*



**Executive Summary:**

Dr. Kerri King earned her Ph.D. in clinical psychology with a forensic emphasis from the California School of Professional Psychology. With over twenty years of experience, Dr. King maintains a local private practice specializing in psychotherapy, crisis intervention, and program management, offering valuable expertise that will enhance our hospital and clinics' behavioral health services.

**Recommended Board Motion:** It is recommended the Board of Directors approve the Professional Services Agreement with Kerri King, Ph. D. at a rate of \$225 per clinical hour.

**Services Provided:** Outpatient clinic & hospital psychology services, 51 weeks per year for a minimum of 10 hours per week.

**Agreement Terms:**

Contract Term	Effective Date	FMV %ile	Estimated Base Monthly Cost	Estimated Annual Cost	Term clause
1 year	7/19/2024	Median	\$9,562	\$114,750	60 days

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is entered into and effective as of **July 19, 2024** ("Effective Date"), by and between **San Benito Health Care District**, a local health care district organized and operated pursuant to Division 23 of the California Health and Safety Code ("SBHCD"), and **Kerri King, Ph.D.** ("Provider").

### RECITALS

- A. SBHCD owns and operates Hazel Hawkins Memorial Hospital, a licensed general acute care facility located at 911 Sunset Drive, Hollister, California ("Hospital"). Hospital provides inpatient and outpatient services to residents of the San Benito Health Care District and surrounding communities which constitute the Hospital's service area ("Hospital Service Area").
- B. SBHCD owns and operates rural and specialty health clinics as defined in Title 22, California Code of Regulations section 51115.5 to provide services to patients in the Hospital Service Area ("Clinics"). Clinics operate under the name "Hazel Hawkins Community Health Clinics".
- C. Provider is licensed to provide psychological services in the State of California, is a member in good standing of the medical staff of Hospital, and is experienced and qualified to provide psychological services ("Services").
- D. Section 32129 of the California Health and Safety Code provides that a health care district may contract with a Provider to render professional health services in order to ensure that adequate health care is available to all residents within its service area.
- E. SBHCD has determined that entering into this Agreement with Provider is in the best interests of the Hospital and the public health of the residents of the Hospital Service Area, and is an appropriate way to assure availability of rural health clinic services to patients in the Hospital Service Area.
- F. The parties desire to enter into this Agreement to set forth their respective responsibilities in connection with the Services provided by Provider in the Hospital Service Area during the term of this Agreement.

The parties hereby agree as follows:

### 1. DUTIES AND OBLIGATIONS OF PROVIDER

- 1.1 Professional Services. Provider shall provide all Services reasonably required for coverage, patient care, and operation of the Clinics and will perform the duties as set forth in Exhibits A and B. Provider shall provide such services on a part-time basis at a minimum of ten (10) hours per week and pursuant to a mutually agreed upon schedule. If Provider cannot agree on such a schedule, SBHCD shall determine the schedule.
- 1.2 Qualifications of Provider. Provider shall: (i) be duly licensed to provide professional psychological services by the State of California; (ii) be an active member in good standing of the Hospital's medical staff; (iii) have levels of competence, experience and skill comparable to those prevailing in the community; and (iv) not be excluded from any governmental healthcare program.
- 1.3 Compliance. In connection with the operation and conduct of the Clinics and rendition of Services, Provider shall, at all times, comply with the applicable terms of this Agreement and with all applicable federal, state and local laws, rules and regulations, including requirements for participation in the Medicare and Medi-Cal programs, and will at all times be aware of and participate in meeting the District Corporate Compliance program goals and objectives.
- 1.4 Credentialing. In order to be efficiently credentialed with payors contracted with SBHCD, Provider shall participate in the Council for Affordable Quality Healthcare ("CAQH") credentialing program and shall timely comply with requests from CAQH or SBHCD personnel for (i) credentialing information regarding Provider, and (ii) documents necessary for the credentialing of Provider.

- 1.5 Use of Premises. No part of the Clinics premises shall be used at any time by Provider as an office for the general or private practice of medicine.
- 1.6 Medical Records/Chart Notes. Provider shall provide appropriate and necessary documentation for each patient's medical record for all patient encounters in the Clinics.
- 1.7 Coding. Provider shall properly code all professional services rendered to patients for all visits to the Clinics. Provider's coding shall be used for purposes of billing for Services provided by Provider. All such coding shall be subject to review and audit by an independent auditing company mutually agreed upon by the parties.

## 2. DUTIES AND OBLIGATIONS OF SBHCD

- 2.1 Duties. SBHCD agrees to furnish at its own cost and expense, for the operation of the Clinics, the following:
  - 2.1.1 Space and Equipment. Space and Equipment as may be reasonably required for the operation of the Clinics as approved by Hospital.
  - 2.1.2 Services and Supplies. Maintenance, repair and replacement of equipment as are reasonably required; all utilities, including telephone, power, light, gas and water; and all supplies that may be reasonably required for the operation of the Clinics.
  - 2.1.3 Non-physician Personnel. All non-physician personnel with appropriate education, training and experience required to operate the Clinics, including a qualified administrative manager. SBHCD shall have the sole right and responsibility for the hiring and termination of all its employees. SBHCD shall be responsible for the Clinics scheduling of non-physician Clinic personnel.
- 2.2 Eligibility. At all times during the term of this Agreement, Clinics shall remain eligible to participate in the Medicare and Medi-Cal programs.
- 2.3 Contracts. SBHCD shall be solely responsible for negotiating all contracts for the reimbursement of Services provided in the Clinics. SBHCD in its sole and absolute discretion shall determine the negotiation parameters for the terms, conditions and rates for such contracts.
- 2.4 Access to Records. Provider shall have access to the Clinics' patient medical and business records for quality of care and compliance purposes.

## 3. BILLING AND ASSIGNMENT OF REVENUE

- 3.1 Billing and Collection. SBHCD shall perform billing and collection services under this Agreement. Provider shall cooperate with SBHCD and shall use their best efforts to bill and collect for services in a diligent, timely, competent, effective, lawful, and commercially reasonable manner, maximizing the revenue to which Provider is legally and ethically entitled.
- 3.2 Assignment of Professional Service Revenues. Provider hereby assigns to SBHCD the right to all revenue from any and all patients, third-party payors, and governmental programs for all services rendered by Provider at the Hospital and the Clinics under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Provider services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 30.2.7.

## 4. COMPENSATION FOR COVERAGE BY PROVIDER

- 4.1 Coverage Fee. As compensation for the provision of professional Services in the Clinics and Hospital, SBHCD shall compensate Provider a rate of **Two Hundred Twenty-Five Dollars and No Cents (\$225.00)** per hour. SBHCD shall pay Provider on a monthly basis in accordance with the normal SBHCD contract payment process, for Services provided by Provider during the immediately preceding monthly period. Provider shall not bill for facility fees, administrative, supervisory, medical director, or similar services.
- 4.2 Schedule of Charges. SBHCD, in its sole and absolute discretion, shall decide upon the schedule of charges for the Clinics. Pursuant to California Health and Safety Code Section 32129, the SBHCD Board of

Directors may review the fees and charges for Services provided at the Clinics to ensure such fees and charges are reasonable, fair, and consistent with the basic commitment of SBHCD to provide adequate health care to all residents within the Hospital Service Area.

## 5. TERM AND TERMINATION

- 5.1 Term. The term of this Agreement shall commence on the Effective Date and continue for a period of one (1) year from the Effective Date, unless terminated earlier as provided in this Agreement, and shall renew by mutual agreement for successive one (1) year periods until terminated. Either party shall have the right to terminate this Agreement without stating a cause or reason and without cost or penalty upon sixty (60) days prior written notice to the other party. If this Agreement is terminated prior to expiration of the initial year of the term, the parties shall not enter into any new agreement or arrangement during the remainder of such year.
- 5.2 Termination for Cause. Either party shall have the right to terminate the Agreement for cause upon not less than thirty (30) days written notice (provided that in the case of (i) Sections 5.3.3, 5.3.4, and 5.3.5, no additional notice beyond that specified therein shall be required, (ii) Section 5.3.6, no notice shall be required and this Agreement will terminate effective as of the date of such exclusion, suspension, debarment from, or ineligibility for, any federal or state health care program, and/or of such conviction of a criminal offense related to conduct that would or could trigger an exclusion from any federal or state health care program, and (iii) insolvency or bankruptcy described in Section 5.3.2, as of the date of such insolvency or declaration of bankruptcy, as applicable).
- 5.3 Definition of Cause. For purposes of this Agreement, "cause" shall include, but not be limited to, the occurrence of any of the following events:
- 5.3.1 SBHCD or Provider is in breach of any material term or condition of this Agreement and such breach has not been cured within thirty (30) days following notice of such breach.
- 5.3.2 SBHCD or Provider becomes insolvent or declares bankruptcy.
- 5.3.3 The license to practice medicine or to prescribe controlled substances of Provider is revoked or suspended, or Provider is suspended or removed from the Medical Staff of the Hospital, or no longer maintains the required membership status on the Medical Staff of the Hospital.
- 5.3.4 SBHCD fails to carry or reinstate the insurance required in Article 8 of this Agreement or such coverage is cancelled or revoked within ten (10) days following notice of revocation from its insurance carrier.
- 5.3.5 Upon the determination that Provider has violated a material term of Article 9 of this Agreement.
- 5.3.6 The performance by either party of any term, condition, or provision of this Agreement which jeopardizes the licensure of Hospital, Hospital's participation in Medicare, Medi-Cal or other reimbursement or payment program, or Hospital's full accreditation by The Joint Commission or any other state or nationally recognized accreditation organization, or the tax-exempt status of Hospital's bonds, or if for any other reason such performance violates any statute, ordinance, or is otherwise deemed illegal, or is deemed unethical by any recognized body, agency, or association in the healthcare fields, and the jeopardy or violation has not been or cannot be cured within sixty (60) days from the date notice of such jeopardy or violation has been received by the parties.
- 5.4 Termination/Expiration Not Subject to Fair Hearing. It is agreed between the parties that should either party exercise its right to terminate this Agreement such decision to terminate, and the actual termination or expiration of this Agreement, shall apply to rights under this Agreement only and not to Provider's medical staff privileges or membership on the medical staff of Hospital. The termination or expiration of this Agreement shall not be subject to the Fair Hearing Plan of the Medical Staff Bylaws, the hearing procedures provided by Healthcare District Law, or any other fair hearing procedure regarding medical staff appointments or privileges.



## 6. INDEPENDENT CONTRACTOR

- 6.1 Independent Contractor Status. Provider is engaged in an independent contractor relationship with SBHCD in performing all work, services, duties and obligations pursuant to this Agreement. Neither SBHCD nor Hospital shall exercise any control or direction over the methods by which Provider performs Provider's work and functions, except that Provider shall perform at all times in strict accordance with then currently approved methods and practices of Provider's professional specialty. SBHCD's sole interest is to ensure that Provider performs and renders services in a competent, efficient and satisfactory manner in accordance with high medical standards.
- 6.2 Independent Contractor Responsibilities. The parties expressly agree that no work, act, commission or omission of Provider pursuant to the terms and conditions of this Agreement shall be construed to make or render Provider, the agent or employee of SBHCD or Hospital. Provider shall not be entitled to receive from SBHCD or Hospital vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability or unemployment insurance benefits or any other employee benefit.

## 7. REPRESENTATIONS AND WARRANTIES OF PARTIES

- 7.1 SBHCD for itself, and its directors, officers, employees and agents (collectively, "Agents"), and Provider (for Provider and Provider's Agents) hereby warrants and represent as follows:
- 7.1.1 Neither it nor any of its Agents (i) is excluded, suspended or debarred from, or otherwise ineligible for, participation in any federal or state health care program including, without limitation, Medicare or Medi-Cal, or (ii) has been convicted of a criminal offense related to conduct that would or could trigger an exclusion from any federal or state health care program including, without limitation, Medicare or Medi-Cal; and
- 7.1.2 It shall, and it shall ensure that each of its Agents shall, notify the other parties thereto immediately in writing of (i) any threatened, proposed or actual exclusion, suspension or debarment, and/or (ii) any conviction of a criminal offense related to conduct that would or could trigger an exclusion, of it or any of its Agents from any federal or state health care program.

## 8. LIABILITY/MALPRACTICE INSURANCE COVERAGE

- 8.1 SBHCD and Hospital shall maintain general and professional liability insurance coverage commencing on the Start Date and continuing for the term of this Agreement in minimum amounts of \$1,000,000 per occurrence and \$3,000,000 annual aggregate. In the event the coverage that SBHCD and/or Hospital obtains to comply with this Section of this Agreement is a "claims made" policy, and SBHCD or Hospital, as applicable, changes insurance carriers or terminates coverage upon or after termination of this Agreement, SBHCD or Hospital, as applicable, shall immediately obtain and shall maintain "tail" coverage in the amounts otherwise required under this Section for at least seven (7) years following termination of this Agreement.

## 9. PROTECTED HEALTH INFORMATION

- 9.1 Protected Health Information. Provider shall maintain the confidentiality of all Protected Health Information ("PHI") in accordance with all applicable federal, state and local laws and regulations, including, but not limited to, the California Confidentiality of Medical Information Act and the Federal Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder ("HIPAA"). Without limiting the foregoing, Provider agrees to maintain PHI, as defined from time to time under HIPAA, which may be made available to or received by Provider pursuant to this Agreement, in accordance with the requirements of HIPAA. Provider agrees that Provider shall:
- 9.1.1 Not use or further disclose PHI in a manner that would violate HIPAA if done by Hospital or violate the requirements of applicable laws or this Agreement;
- 9.1.2 Use appropriate safeguards to prevent use or disclosure of PHI except as permitted by law and the terms of this Agreement, and report to Hospital any use or disclosure of PHI not permitted by law or by this Agreement of which Provider becomes aware;

- 9.1.3 Comply with the elements of any compliance program established by Hospital that applies to the use or disclosure of PHI and ensure that any subcontractors or agents to whom the Provider provides PHI agree to the same restrictions and conditions that apply to Provider with respect to such PHI;
- 9.1.4 In accordance with HIPAA, (i) make available PHI to the subject Patient; (ii) make available PHI for amendment and incorporate any amendments to PHI; and (iii) make available the information required to provide an accounting of disclosures of PHI to the subject Patient;
- 9.1.5 Make Provider's internal practices, books, and records relating to the use and disclosure of PHI available to the Secretary of the United States Department of Health and Human Services for purposes of determining Hospital's and Provider's compliance with HIPAA;
- 9.1.6 At termination of this Agreement, return or destroy all PHI received from or created by SBHCD and retain no copies of such PHI or, if return or destruction is not permissible under law or the terms of this Agreement, continue to maintain all PHI in accordance with the provisions of this Section and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.
- 9.2 Electronic Protected Health Information ("EPHI"). Provider agrees that Provider will: (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that Provider creates, receives, maintains, or transmits on behalf of SBHCD; (ii) report to SBHCD any security incident with respect to EPHI of which Provider becomes aware; and (iii) ensure that any agent, including a subcontractor, to whom Provider provides EPHI agrees to implement reasonable and appropriate safeguards to protect such information.

## 10. GENERAL PROVISIONS

- 10.1 Notices. Any notice to be given to any party hereunder shall be deposited in the United States Mail, duly registered or certified, with return receipt requested, with postage paid, and addressed to the party for which intended, at the following addresses, or to such other address or addresses as the parties may hereafter designate in writing to each other.

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

Provider: Kerri King, Ph.D.  
1131 Rancho Way  
San Juan Bautista, CA 95045

- 10.2 No Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
- 10.3 Governing Law and Venue. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California. Venue shall be in the County of San Benito, California.
- 10.4 Ownership of Patient Records. All Hospital, Skilled Nursing Facilities' and Clinics' patient records shall be maintained by SBHCD and are the property of SBHCD. Provider shall have the right to access such records during normal business hours.
- 10.5 Exclusive Property of SBHCD. All data, files, records, documents, specifications, promotional materials and similar items relating to the business of SBHCD, whether prepared by or with the assistance of Provider or otherwise coming into Provider's possession shall remain the exclusive property of SBHCD and shall not be removed from SBHCD's facilities under any circumstances without the prior written consent of SBHCD.

- 10.6 No Referrals. Nothing in this Agreement is intended to obligate or induce any party to this Agreement to refer patients to any other party.
- 10.7 Confidentiality. The parties acknowledge and agree that during the term of this Agreement and in the course of the discharge of Provider's duties hereunder, Provider shall have access to and become acquainted with information concerning the operation of District, and information which, pursuant to applicable law and regulation, is deemed to be confidential, including, but not limited to, trade secrets, medical records, patient medical and personal information, and personnel records. Provider agrees that such information shall not be disclosed either directly or indirectly to any other person or entity used by Provider in any way either during the term of this Agreement or at any other time thereafter, except as is required herein. Provider understands breach of this article will be an irremediable breach of this Agreement. Such breach will result in immediate termination of this Agreement.
- 10.8 Binding Agreement; No Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties to it and their respective legal representatives, successors and permitted assigns. No party may assign this Agreement or any rights hereunder, or may they delegate any of the duties to be performed hereunder without the prior written consent of the other party.
- 10.9 Dispute Resolution. If any dispute, controversy or claim arises out of this Agreement, for a period of thirty (30) days following written notice of the dispute, controversy or claim from one party to the other, the parties will use their good faith efforts to resolve the dispute, controversy or claim. If the matter cannot be resolved by the parties in this fashion, then such dispute, claim or controversy shall be heard in San Benito County, California, pursuant to the provisions of California Code of Civil Procedure Sections 638 through 645.1, inclusive. The hearing shall be final and binding to the greatest extent permitted by law, and the cost thereof, including reasonable attorneys' fees, shall be borne by the losing party in such proportions as the referee may decide. Judgment on the award may be entered in any court having jurisdiction thereof.
- 10.10 Section 952 of Omnibus Budget Reconciliation Act of 1980. In accordance with Section 952 of the Omnibus Reconciliation Act of 1980 (PL 96-499), Provider agrees that the books and records of Provider will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement. In the event that any of the services to be performed under this Agreement are performed by any subcontractor of Provider at a value or cost of \$10,000 or more over a twelve (12) month period, Provider shall comply and assure that such subcontractor complies with the provisions of Section 952 of the Omnibus Reconciliation Act of 1980. If regulations are issued at a later time which would determine that Section 952 of PL 96-499 is not applicable to this Agreement, this Section shall automatically be repealed.
- 10.11 Entire Agreement; Amendment. This Agreement, its exhibits, and all referenced documents constitute the entire agreement between the parties pertaining to the subject matter contained herein. This Agreement supersedes all prior and contemporaneous agreements, representations and understandings of the parties which relate to the subject matter of this Agreement. No supplement, amendment or modification of this Agreement shall be binding unless executed in writing by all of the parties.

The parties hereby executed this Agreement as of the Effective Date first set forth above.

**SBHCD**  
San Benito Health Care District

**Provider**  
Kerri King, Ph.D.

By: \_\_\_\_\_  
Mary T. Casillas, Chief Executive Officer

\_\_\_\_\_  
Kerri King, Ph.D.

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT A

### PROVIDER RESPONSIBILITIES

The duties of Provider shall include, but not be limited to, the following, as may be required by the SBHCD:

1. Render professional outpatient psychological healthcare services to patients of the Clinics including, but not limited to:
  - a) Diagnose, assess, and treat mental health and behavioral conditions for patients age 18 and older. Conduct comprehensive psychological assessments, including clinical interviews, behavioral assessments, and psychometric testing. Perform risk assessments for conditions such as suicidal and/or, homicidal ideations, and other high-risk behaviors. Provide individual, group, and family therapy, conduct psychological testing and evaluations, and develop treatment plans.
  - b) Ensuring the quality, availability, and expertise of psychological healthcare services rendered in the Clinics, and at Clinic-related activities;
  - c) The coordination of psychology healthcare services and activities of the Clinics as a whole to be accomplished through continuous communication with appropriate District administrative personnel regarding matters relating to the medical administration of the Clinics;
  - d) Assisting with the development of a plan for psychological quality assurance for the Clinics;
  - e) Complete all charting and billing within 24 hours of each encounter in compliance with established Clinic policy and procedures.
  - f) Render psychological healthcare services to SBHCD employees, contracted staff and patients of the hospital upon request and mutual agreement.

## **EXHIBIT B**

### **SCHEDULE**

1. **Schedule.** Provider shall provide professional services to SBHCD to patients, employees, and contracted staff on a part-time basis every Friday, fifty-one (51) weeks per year for a minimum of ten (10) hours per week and other days upon mutual agreement, with the exception of any District-observed holiday that occurs on a Friday.

**ADDENDUM NUMBER 4 TO  
PROFESSIONAL SERVICES AGREEMENT**

This Addendum Number 4, effective July 1, 2024, is to that certain Professional Services Agreement effective April 1, 2007, by and between **San Benito Health Care District**, a public health care district organized and operated pursuant to Division 23 of the California Health and Safety Code ("SBHCD"), and **Ralph Armstrong, D.O.** ("Physician").

RECITALS

- A. SBHCD and Physician are parties to Physician Recruitment Agreement dated May 3, 2005, Physician Services Agreements dated April 1, 2007 and February 1, 2013, and Addenda dated February 1, 2015, April 1, 2018 and January 1, 2019 ("Agreements") respectively.
- B. This Addendum sets forth the compensation arrangement for obstetrics and gynecology emergency call coverage and term period as specified in the original Professional Services Agreement.
- C. SBHCD and Physician desire to modify the Agreements as set forth below.
  - 1. Term and Termination: Unless terminated earlier in accordance with Sections 4.3 and 4.4 of the Agreement, the term of this Agreement is hereby extended commencing July 1, 2024 and will automatically renew for successive one (1) years periods until terminated. Either party shall have the right to terminate this Agreement without stating a cause or reason and without cost or penalty upon sixty (60) days prior written notice to the other party.
  - 2. Compensation: As compensation for the provision of emergency call coverage, SBHCD shall pay Physician the amount of One Thousand Five Hundred Dollars and No Cents (\$1,500.00) per twenty-four (24) shift in accordance with the normal SBHCD contract payment process for services provided by Physician during the immediately preceding monthly period. Physician shall not bill, or cause to be billed, for facility fees, administrative, supervisory, medical director or similar services. In the event Physician provides less than a full shift of coverage as defined by less than a twenty-four (24) shift, compensation will be pro-rated for the actual number of coverage hours provided.

All other sections and provisions of the Agreement will remain unchanged.

The parties hereby execute this Addendum as of the Addendum Effective Date first set forth above.

**SBHCD**

San Benito Health Care District

By: \_\_\_\_\_  
Mary T. Casillas, Chief Executive Officer

**PHYSICIAN**

Ralph Armstrong, D.O.

By: \_\_\_\_\_  
Ralph Armstrong, D.O.

**AMENDMENT NUMBER 2 TO  
PROFESSIONAL SERVICES AGREEMENT**

This Amendment Number 2 ("Amendment") to that certain Professional Services Agreement (PSA) dated February 1, 2022 ("Agreement") by and between **San Benito Health Care District**, a public health care district organized and operated pursuant to Division 23 of the California Health and Safety Code ("SBHCD"), and **Jullian P. Nguyen, M.D., Sports & Family Medicine Corporation** (Provider) is effective as of July 1, 2024 ("Amendment Effective Date").

RECITALS

- A. SBHCD and Provider are parties to a PSA dated February 1, 2022, a Physician Recruitment Agreement dated February 1, 2022, and Amendment 1 dated August 8, 2023.
- B. The Agreement sets forth the compensation arrangement as specified in section 4.1 of the original Professional Services Agreement.
- C. SBHCD and Provider desire to modify the original Agreement to reflect a new compensation arrangement and extended term as set forth below.
  - 1. Compensation. The first sentence in the first paragraph of section 4.1 is hereby amended in its entirety to read as follows: "As compensation for the provisions of Services in the Clinics, SBHCD shall pay Provider annual base rate of Three Hundred Twenty-Eight Thousand Six Hundred Dollars (\$328,600.00) annually, which is payable in accordance in twelve (12) equal monthly installments."
  - 2. Term and Termination: Unless terminated earlier in accordance with Sections 5.1 and 5.2 of this Agreement, this Agreement is hereby extended commencing July 1, 2024 for a two (2) year term through July 1, 2026, and will automatically renew for successive one (1) year periods until terminated. Either party shall have the right to terminate this Agreement without stating a cause or reason and without cost or penalty upon sixty (60) days prior written notice to the other party.

All other sections and provisions of the Agreement will remain unchanged.

The parties hereby execute this Amendment as of the Amendment Effective Date first set forth above.

**SBHCD**  
**San Benito Health Care District**

**PROVIDER**  
**Jullian P. Nguyen, M.D. for**  
**Jullian Nguyen, M.D., Sports & Family**  
**Medicine Corporation**

By: \_\_\_\_\_  
Mary T. Casillas, Chief Executive Officer

By: \_\_\_\_\_  
Jullian P. Nguyen, M.D., CEO

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**FYE June 30, 2025**

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

### **Statistics:**

The acute facility's inpatient admissions and days are budgeted to remain the same for FYE June 30, 2025 as the projected census for FYE June 30, 2024. YTD as of March 31, 2024, the admissions decreased from last year's (YTD March 31, 2023) 1,685 to 1,404 (16.7%) and patient days decreased from 4,977 to 4,155 (16.5%). Admissions for ICU decreased by 6.2%, Med/Surg decreased 20.8% and OB decreased by 9.5%. OB deliveries decreased by 25, 7.7%. YTD as of March 31, 2024 the acute ADC is 15.11 compared to the March 31, 2023 ADC of 18.16. This is a decrease of 16.8%.

The budgeted days are 793 in ICU, 3,732 in Med/Surg, 901 in OB resulting in an acute ADC for the year of **14.9**. The low ADCs for the 4<sup>th</sup> quarter of FY 2024 caused the budgeted ADC to be under 15.

In aggregate, outpatient services are budgeted to increase by **2%**.

The Skilled Nursing Facilities are budgeted to have a combined average daily census of **85**. The census is budgeted to be 82 in Q1, 84 in Q2, 86 in Q3 and 88 in Q4. YTD as of March 31, 2024, the combined ADC is 91.83. However, the ADC has been 80 the last two months.

### **Revenue:**

The budgeted acute gross revenue for FYE June 30, 2025 is increasing by the increase in outpatient volumes. Patient charges for I/P and O/P services were not increased in aggregate. Instead, the District is working with Innova Revenue Group to rebalance the current charges. Some charges will be increased and others decreased to reflect what is reasonable and customer in the market area.

As of March 31, 2024, Medi-Cal and Medicare total approximately 73.9% of gross charges, 38.1% and 35.8% respectively. Commercial insurance comprises approximately 24.7% and self-pay under 2%. .

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



Net Operating Revenue for the acute facility is budgeted to increase by \$1.84 million. The increase is mainly due to the net revenue from the 2% increase outpatient services. However, the net operating revenue for the Skilled Nursing Facilities is expected to decrease by approximately \$800,000 due to the 5% decline in patient days. The combined increase for the District is \$1.04 million.

#### **Expenses:**

The District's Productive FTEs are budgeted to increase by 39.42 from 481.05 (annualized) in FY 2024 to 520.47 budgeted in FY 2025. The annualized total is less than the District current average of 512 per month due to the vacancies earlier in the fiscal year.

The productive FTEs were budgeted for 500.9 in FY 2024. The difference in the year to year budgets is an increase of 19.57 FTEs.

The District will only increase its FTEs if required to meet staffing needs.

Annual average raises of 3% are included in the budget.

Overall, the acute expenses are budgeted to increase by 5% and SNF expenses by 8%. The increases are mainly due to salaries and wages if additional productive FTES are hired. In addition, a new 401(a) pension plan is included in the employee benefit expense.

The changes made to the employee benefits in FYE June 30, 2024 have not been reinstated in this year's budget.

Combined Net Operating Expenses are budgeted to increase by \$7.3 million, 5.2%.

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

#### **Outstanding Issues:**

- The District filed for Chapter 9 on May 23, 2023. The District is working toward exiting the Chapter 9 process while an appeal is pending.
- The District is actively working toward a partnership, lease or sale with another entity that can continue providing quality care to the residents of San Benito County.
- The District was approved for a \$10 million loan from the Distressed Hospital Loan Program (DHLP). The 1<sup>st</sup> draft of \$2.7 million is expected to be received in the 1<sup>st</sup> quarter of FY 2025.
- The District is waiting for confirmation it will receive the net ERC funding of approximately \$7 million.
- The District is negotiating with N.U.H.W. The other 3 bargaining units are under contract for FYE June 30, 2025. These include C.N.A., C.L.V.N.A and E.S.C.

**Conclusion:**

The District's budget reflects the trend of non-growth in the acute inpatient census for the year. The SNFs will need to steadily increase their census in order to meet an ADC of 85 for the new fiscal year. The District's Net Surplus (Loss) is budgeted to be **\$6.87** million compared to an estimated pre-audited earnings of **\$12.68** million for FYE June 30, 2024. The EBIDA target for the FY 2025 budget is **\$9.67** million (6.4%). The estimated FY 2024 pre-audit EBIDA is **\$15.7** million (10.5%). The earnings growth results in a net gain in cash flow of **\$7.78** million.

The District is budgeted to meet its Cal-Mortgage Bond requirements for the FYE June 30, 2025. The District should remain a Critical Access Hospital in order to remain financially viable until an alternative strategy for growth can be implemented.

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED  
BUDGET COMPARISON  
FOR PERIOD 06/30/25

	07/31/24	08/31/24	09/30/24	10/31/24	11/30/24	12/31/24	01/31/25	02/28/25	03/31/25	04/30/25	05/31/25	BUDGET	TWELVE MONTH TOTAL
GROSS PATIENT REVENUE:													
ACUTE ROUTINE REVENUE	2,751,303	2,671,109	3,412,524	3,520,684	3,180,466	3,691,413	3,856,433	3,205,234	3,700,860	2,663,375	3,248,014	3,248,015	39,149,430
SNF ROUTINE REVENUE	1,933,008	1,933,008	1,870,654	1,980,154	1,916,278	1,980,154	2,027,302	1,831,113	2,027,302	2,007,529	2,074,448	2,007,529	23,588,479
ANCILLARY INPATIENT REVENUE	3,549,220	3,472,676	4,298,129	3,798,347	3,699,366	5,024,986	4,088,889	4,311,085	4,597,037	3,346,525	4,019,444	4,008,406	48,214,110
HOSPITALIST\PEDS I\P REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL GROSS INPATIENT REVENUE	8,233,531	8,076,793	9,581,307	9,299,185	8,796,110	10,696,553	9,972,624	9,347,432	10,325,199	8,017,429	9,341,906	9,263,950	110,952,019
ANCILLARY OUTPATIENT REVENUE	26,217,811	28,313,033	27,049,898	28,041,982	27,572,275	26,989,365	28,499,815	27,289,211	27,811,551	27,881,289	27,881,294	27,881,281	331,428,805
HOSPITALIST\PEDS O\P REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL GROSS OUTPATIENT REVENUE	26,217,811	28,313,033	27,049,898	28,041,982	27,572,275	26,989,365	28,499,815	27,289,211	27,811,551	27,881,289	27,881,294	27,881,281	331,428,805
TOTAL GROSS PATIENT REVENUE	34,451,342	36,389,826	36,631,205	37,341,167	36,368,385	37,685,918	38,472,439	36,636,643	38,136,750	35,898,718	37,223,200	37,145,231	442,380,824
DEDUCTIONS FROM REVENUE:													
MEDICARE CONTRACTUAL ALLOWANCES	9,312,632	9,837,137	9,988,601	10,141,406	9,868,548	10,299,799	10,469,946	9,989,886	10,393,983	9,679,962	10,085,998	10,078,796	120,146,694
MEDI-CNL CONTRACTUAL ALLOWANCES	9,241,700	9,807,142	9,844,007	10,032,269	9,782,095	10,087,640	10,326,827	9,862,365	10,218,590	9,649,360	9,974,451	9,970,246	118,796,692
BAD DEBT EXPENSE	489,000	518,137	522,857	531,611	518,107	536,794	547,792	523,630	542,744	509,449	528,186	528,187	6,296,494
CHARITY CARE	36,429	38,621	38,976	39,636	38,618	40,026	40,852	39,034	40,473	37,968	39,381	39,377	469,391
OTHER CONTRACTUALS AND ADJUSTMENTS	4,064,788	4,334,468	4,293,801	4,395,469	4,295,511	4,369,322	4,509,294	4,309,866	4,445,671	4,265,316	4,369,765	4,368,677	52,021,948
HOSPITALIST\PEDS CONTRACTUAL ALLOW	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DEDUCTIONS FROM REVENUE	23,144,549	24,535,505	24,688,242	25,140,391	24,502,879	25,333,581	25,894,711	24,724,781	25,641,461	24,142,055	24,997,781	24,985,283	297,731,219
NET PATIENT REVENUE	11,306,793	11,854,321	11,942,963	12,200,776	11,865,506	12,352,337	12,577,728	11,911,862	12,495,289	11,756,663	12,225,419	12,159,948	144,649,605
OTHER OPERATING REVENUE	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	547,881	6,581,572
NET OPERATING REVENUE	11,854,674	12,402,202	12,490,844	12,748,657	12,413,387	12,900,218	13,125,609	12,459,743	13,043,170	12,304,544	12,780,300	12,707,829	151,231,177
OPERATING EXPENSES:													
SALARIES & WAGES	5,177,667	5,177,667	5,006,256	5,178,258	5,006,828	5,178,258	5,282,544	4,783,156	5,307,544	5,133,335	5,308,135	5,133,335	61,672,983
REGISTRY	229,839	229,839	228,877	229,839	228,877	229,839	229,839	226,951	229,839	228,877	229,839	228,877	2,751,332
EMPLOYEE BENEFITS	2,375,126	2,371,069	2,273,075	2,317,831	2,200,959	2,229,828	2,422,063	2,191,132	2,435,287	2,354,113	2,430,458	2,338,406	27,939,347
PROFESSIONAL FEES	1,656,213	1,656,213	1,602,929	1,656,213	1,602,929	1,656,213	1,656,213	1,496,355	1,656,213	1,602,929	1,656,213	1,602,929	19,501,562
SUPPLIES	943,127	963,157	1,009,940	997,005	998,469	1,010,191	1,029,585	1,001,715	1,093,298	1,018,646	1,025,255	977,516	12,067,904
PURCHASED SERVICES	1,151,622	1,151,622	1,114,480	1,151,622	1,114,480	1,151,622	1,151,622	1,040,185	1,151,622	1,114,480	1,151,622	1,114,480	13,559,459
RENTAL	150,183	150,183	145,342	150,183	145,342	150,183	150,183	135,655	150,183	145,342	150,183	145,342	1,768,304
DEPRECIATION & AMORT	318,477	318,477	318,477	318,477	318,477	318,477	318,477	318,477	318,477	318,477	318,477	318,477	3,821,724
INTEREST	28,179	28,126	28,073	28,018	27,964	27,910	27,867	27,824	27,781	27,737	27,693	27,649	334,821
OTHER	441,612	441,612	428,427	442,362	428,427	441,612	441,612	402,053	441,612	428,427	441,612	428,427	5,207,795
TOTAL EXPENSES	12,472,045	12,487,965	12,155,876	12,469,808	12,072,752	12,394,133	12,710,005	11,623,503	12,811,856	12,372,363	12,739,487	12,315,438	148,625,231
NET OPERATING INCOME (LOSS)	(617,371)	(85,763)	334,968	278,849	340,635	506,085	415,604	836,240	231,314	(67,819)	40,813	392,391	2,605,946
NON-OPERATING REVENUE\EXPENSE:													
DONATIONS	5,000	5,000	5,000	5,000	5,000	5,000	105,000	5,000	5,000	5,000	5,000	5,000	160,000
PROPERTY TAX REVENUE	241,122	241,122	241,122	241,122	241,122	241,122	241,122	241,122	241,122	241,122	241,122	241,122	2,893,464
GO BOND PROP TAXES	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	2,110,980
GO BOND INT REVENUE\EXPENSE	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(780,972)
OTHER NON-OPER REVENUE	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	190,896
OTHER NON-OPER EXPENSE	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(27,766)	(312,732)
INVESTMENT INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0	0	0	0

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED  
BUDGET COMPARISON  
FOR PERIOD 06/30/25

	BUDGET 07/31/24	BUDGET 08/31/24	BUDGET 09/30/24	BUDGET 10/31/24	BUDGET 11/30/24	BUDGET 12/31/24	BUDGET 01/31/25	BUDGET 02/28/25	BUDGET 03/31/25	BUDGET 04/30/25	BUDGET 05/31/25	BUDGET 06/30/25	TOTAL
TOTAL NON-OPERATING REVENUE/(EXPENSE)	345,098	345,098	345,098	345,098	345,098	345,098	445,098	345,098	350,213	350,213	350,213	350,213	4,261,636
NET SURPLUS (LOSS)	(272,273)	259,335	680,066	623,947	685,733	851,183	860,702	1,181,338	581,827	282,394	391,026	742,604	6,867,582

**HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY**  
**BUDGET COMPARISON**  
**FOR PERIOD 06/30/25**

	BUDGET 07/31/24	BUDGET 08/31/24	BUDGET 09/30/24	BUDGET 10/31/24	BUDGET 11/30/24	BUDGET 12/31/24	BUDGET 01/31/25	BUDGET 02/28/25	BUDGET 03/31/25	BUDGET 04/30/25	BUDGET 05/31/25	BUDGET 06/30/25	TWELVE MONTH TOTAL
<b>GROSS PATIENT REVENUE:</b>													
ROUTINE REVENUE	2,751,303	2,671,109	3,412,524	3,520,684	3,180,466	3,691,413	3,856,433	3,205,234	3,700,860	2,663,375	3,248,014	3,248,015	39,149,430
ANCILLARY INPATIENT REVENUE	3,230,268	3,153,724	3,989,462	3,471,615	3,383,170	4,698,253	3,754,379	4,008,945	4,262,527	3,015,272	3,677,154	3,677,153	44,321,922
HOSPITALIST\PEDS I\P REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL GROSS INPATIENT REVENUE</b>	<b>5,981,571</b>	<b>5,824,833</b>	<b>7,401,986</b>	<b>6,992,299</b>	<b>6,563,636</b>	<b>8,389,666</b>	<b>7,610,812</b>	<b>7,214,179</b>	<b>7,963,387</b>	<b>5,678,647</b>	<b>6,925,168</b>	<b>6,925,168</b>	<b>83,471,352</b>
<b>ANCILLARY OUTPATIENT REVENUE</b>	<b>26,217,811</b>	<b>28,313,033</b>	<b>27,049,898</b>	<b>28,041,982</b>	<b>27,572,275</b>	<b>26,989,365</b>	<b>28,439,815</b>	<b>27,289,211</b>	<b>27,811,551</b>	<b>27,881,289</b>	<b>27,881,294</b>	<b>27,881,281</b>	<b>331,428,805</b>
HOSPITALIST\PEDS O\P REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL GROSS OUTPATIENT REVENUE</b>	<b>26,217,811</b>	<b>28,313,033</b>	<b>27,049,898</b>	<b>28,041,982</b>	<b>27,572,275</b>	<b>26,989,365</b>	<b>28,439,815</b>	<b>27,289,211</b>	<b>27,811,551</b>	<b>27,881,289</b>	<b>27,881,294</b>	<b>27,881,281</b>	<b>331,428,805</b>
<b>TOTAL GROSS ACUTE PATIENT REVENUE</b>	<b>32,199,382</b>	<b>34,137,866</b>	<b>34,451,884</b>	<b>35,034,281</b>	<b>34,135,911</b>	<b>35,379,031</b>	<b>36,110,627</b>	<b>34,503,390</b>	<b>35,774,938</b>	<b>33,559,936</b>	<b>34,806,462</b>	<b>34,806,449</b>	<b>414,900,157</b>
<b>DEDUCTIONS FROM REVENUE ACUTE:</b>													
MEDICARE CONTRACTUAL ALLOWANCES	9,104,621	9,629,126	9,787,300	9,928,321	9,662,337	10,086,714	10,251,788	9,792,840	10,175,825	9,453,932	9,862,767	9,862,766	117,608,337
MEDI-CAL CONTRACTUAL ALLOWANCES	9,120,222	9,685,664	9,726,447	9,907,828	9,661,668	9,963,199	10,199,423	9,747,290	10,091,186	9,523,198	9,844,084	9,844,084	117,314,293
BAD DEBT EXPENSE	484,000	513,137	517,857	526,611	513,107	531,794	542,792	518,630	537,744	504,449	523,186	523,187	6,236,494
CHARITY CARE	36,429	38,621	38,976	38,618	40,026	40,852	40,473	37,968	39,381	39,377	39,377	39,377	469,391
OTHER CONTRACTUALS AND ADJUSTMENTS	4,033,160	4,302,840	4,263,194	4,363,072	4,264,157	4,336,925	4,476,125	4,279,907	4,412,502	4,232,471	4,335,825	4,335,831	51,636,009
HOSPITALIST\PEDS CONTRACTUAL ALLOW	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL ACUTE DEDUCTIONS FROM REVENUE</b>	<b>22,778,432</b>	<b>24,169,388</b>	<b>24,333,774</b>	<b>24,765,468</b>	<b>24,139,887</b>	<b>24,958,658</b>	<b>25,510,980</b>	<b>24,377,701</b>	<b>25,257,730</b>	<b>23,762,018</b>	<b>24,605,243</b>	<b>24,605,245</b>	<b>293,264,524</b>
<b>NET ACUTE PATIENT REVENUE</b>	<b>9,420,950</b>	<b>9,968,478</b>	<b>10,118,110</b>	<b>10,268,813</b>	<b>9,996,024</b>	<b>10,420,373</b>	<b>10,599,647</b>	<b>10,125,689</b>	<b>10,517,208</b>	<b>9,797,918</b>	<b>10,201,219</b>	<b>10,201,204</b>	<b>121,635,633</b>
<b>OTHER OPERATING REVENUE</b>	<b>547,881</b>	<b>547,881</b>	<b>547,881</b>	<b>547,881</b>	<b>547,881</b>	<b>547,881</b>	<b>547,881</b>	<b>547,881</b>	<b>547,881</b>	<b>547,881</b>	<b>554,881</b>	<b>547,881</b>	<b>6,581,572</b>
<b>NET ACUTE OPERATING REVENUE</b>	<b>9,968,831</b>	<b>10,516,359</b>	<b>10,665,991</b>	<b>10,816,694</b>	<b>10,543,905</b>	<b>10,968,254</b>	<b>11,147,528</b>	<b>10,673,570</b>	<b>11,065,089</b>	<b>10,345,799</b>	<b>10,756,100</b>	<b>10,749,085</b>	<b>128,217,205</b>
<b>OPERATING EXPENSES:</b>													
SALARIES & WAGES	4,163,334	4,163,334	4,026,177	4,163,334	4,026,177	4,163,334	4,246,854	3,827,305	4,246,854	4,107,008	4,246,854	4,107,008	49,487,573
REGISTRY	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,400,000
EMPLOYEE BENEFITS	1,850,087	1,846,084	1,766,691	1,794,152	1,696,200	1,712,255	1,890,379	1,699,793	1,826,856	1,885,694	1,811,741	1,811,741	21,670,311
PROFESSIONAL FEES	1,653,831	1,653,831	1,600,625	1,653,831	1,600,625	1,653,831	1,653,831	1,494,203	1,653,831	1,600,625	1,653,831	1,600,625	19,473,520
SUPPLIES	847,001	867,031	914,793	900,394	902,853	913,580	932,494	907,660	996,207	922,092	927,678	880,962	10,912,745
PURCHASED SERVICES	1,062,336	1,062,336	1,028,073	1,062,336	1,028,073	1,062,336	1,062,336	959,537	1,062,336	1,028,073	1,062,336	1,028,073	12,508,181
RENTAL	149,089	149,089	144,283	149,089	144,283	149,089	149,089	134,668	149,089	144,283	149,089	144,283	1,755,423
DEPRECIATION & AMORT	278,940	278,940	278,940	278,940	278,940	278,940	278,940	278,940	278,940	278,940	278,940	278,940	3,347,280
INTEREST	28,179	28,126	28,073	28,018	27,964	27,910	27,867	27,824	27,781	27,737	27,693	27,649	334,821
OTHER	385,147	385,147	373,693	385,897	373,693	385,147	385,147	350,784	385,147	373,693	385,147	373,693	4,542,335
<b>TOTAL EXPENSES</b>	<b>10,617,944</b>	<b>10,633,918</b>	<b>10,361,348</b>	<b>10,615,991</b>	<b>10,278,808</b>	<b>10,546,422</b>	<b>10,826,937</b>	<b>9,880,714</b>	<b>10,890,564</b>	<b>10,509,307</b>	<b>10,817,262</b>	<b>10,452,974</b>	<b>126,432,189</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>(649,113)</b>	<b>(117,559)</b>	<b>304,643</b>	<b>200,703</b>	<b>265,097</b>	<b>421,832</b>	<b>320,591</b>	<b>792,856</b>	<b>174,525</b>	<b>(163,508)</b>	<b>(61,162)</b>	<b>296,111</b>	<b>1,785,016</b>
<b>NON-OPERATING REVENUE\EXPENSE:</b>													
DONATIONS	5,000	5,000	5,000	5,000	5,000	5,000	105,000	5,000	5,000	5,000	5,000	5,000	160,000
PROPERTY TAX REVENUE	204,954	204,954	204,954	204,954	204,954	204,954	204,954	204,954	204,954	204,954	204,954	204,954	2,459,448
GO BOND PROP TAXES	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	175,915	2,110,980
GO BOND INT REVENUE\EXPENSE	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(65,081)	(780,972)
OTHER NON-OPER REVENUE	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	15,908	190,896
OTHER NON-OPER EXPENSE	(21,578)	(21,578)	(21,578)	(21,578)	(21,578)	(21,578)	(21,578)	(21,578)	(21,578)	(21,578)	(21,578)	(21,578)	(243,036)
INVESTMENT INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0	0	0	0

**HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY**  
**BUDGET COMPARISON**  
**FOR PERIOD 06/30/25**

	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	TWELVE MONTH TOTAL
	07/31/24	08/31/24	09/30/24	10/31/24	11/30/24	12/31/24	01/31/25	02/28/25	03/31/25	04/30/25	05/31/25	06/30/25	07/31/25	08/31/25	09/30/25	10/31/25	11/30/25	12/31/25	JANUARY 2026	
TOTAL NON-OPERATING REVENUE/(EXPENSE)	315,118	315,118	315,118	315,118	315,118	315,118	415,118	315,118	319,093	319,093	319,093	319,093	319,093	319,093	319,093	319,093	319,093	319,093	319,093	3,897,316
NET SURPLUS (LOSS)	(333,995)	137,559	619,761	515,821	580,215	736,950	735,709	1,107,974	493,618	155,585	257,931	615,204	5,682,332							

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HAZEL HAWKINS SKILLED NURSING FACILITIES  
BUDGET COMPARISON  
FOR PERIOD 06/30/25

	BUDGET 07/31/24	BUDGET 08/31/24	BUDGET 09/30/24	BUDGET 10/31/24	BUDGET 11/30/24	BUDGET 12/31/24	BUDGET 01/31/25	BUDGET 02/28/25	BUDGET 03/31/25	BUDGET 04/30/25	BUDGET 05/31/25	BUDGET 06/30/25	TWELVE MONTH TOTAL
GROSS SNF PATIENT REVENUE:													
ROUTINE SNF REVENUE	1,933,008	1,933,008	1,870,654	1,980,154	1,916,278	1,980,154	2,027,302	1,831,113	2,027,302	2,007,529	2,074,448	2,007,529	23,588,479
ANCILLARY SNF REVENUE	318,952	318,952	308,667	326,732	316,196	326,733	334,510	302,140	334,510	331,253	342,290	331,253	3,892,188
TOTAL GROSS SNF PATIENT REVENUE	2,251,960	2,251,960	2,179,321	2,306,886	2,232,474	2,306,887	2,361,812	2,133,253	2,361,812	2,338,782	2,416,738	2,338,782	27,480,667
DEDUCTIONS FROM REVENUE SNF:													
MEDICARE CONTRACTUAL ALLOWANCES	208,011	208,011	201,301	213,085	206,211	213,085	218,158	197,046	218,158	216,030	223,231	216,030	2,538,357
MEDI-CAL CONTRACTUAL ALLOWANCES	121,478	121,478	117,560	124,441	120,427	124,441	127,404	115,075	127,404	126,162	130,367	126,162	1,482,399
BAD DEBT EXPENSE	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
CHARITY	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER CONTRACTUALS AND ADJUSTMENTS	31,628	31,628	30,607	32,397	31,354	32,397	33,169	29,959	33,169	32,845	33,940	32,846	385,939
TOTAL SNF DEDUCTIONS FROM REVENUE	366,117	366,117	354,468	374,923	362,992	374,923	383,731	347,080	383,731	380,037	392,538	380,038	4,466,695
NET SNF PATIENT REVENUE	1,885,843	1,885,843	1,824,853	1,931,963	1,869,482	1,931,964	1,978,081	1,786,173	1,978,081	1,958,745	2,024,200	1,958,744	23,013,972
OPERATING EXPENSES:													
SALARIES & WAGES	1,014,333	1,014,333	980,079	1,014,924	980,651	1,014,924	1,035,690	955,851	1,060,690	1,026,327	1,061,281	1,026,327	12,185,410
REGISTRY	29,839	29,839	28,877	29,839	28,877	29,839	29,839	26,951	29,839	28,877	29,839	28,877	351,332
EMPLOYEE BENEFITS	525,039	524,985	506,384	523,679	504,759	517,573	531,684	491,339	544,908	527,257	544,764	526,665	6,269,036
PROFESSIONAL FEES	2,382	2,382	2,304	2,382	2,304	2,382	2,382	2,152	2,382	2,304	2,382	2,304	28,042
SUPPLIES	96,126	96,126	95,147	96,611	95,616	96,611	97,091	94,055	97,091	96,554	97,577	96,554	1,155,159
PURCHASED SERVICES	89,286	89,286	86,407	89,286	86,407	89,286	89,286	80,648	89,286	86,407	89,286	86,407	1,051,278
RENTAL	1,094	1,094	1,059	1,094	1,059	1,094	1,094	987	1,094	1,059	1,094	1,059	12,881
DEPRECIATION	39,537	39,537	39,537	39,537	39,537	39,537	39,537	39,537	39,537	39,537	39,537	39,537	474,444
INTEREST	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER	56,465	56,465	54,734	56,465	54,734	56,465	56,465	51,269	56,465	54,734	56,465	54,734	665,460
TOTAL EXPENSES	1,854,101	1,854,047	1,794,528	1,853,817	1,793,944	1,847,711	1,883,068	1,742,789	1,921,292	1,863,056	1,922,225	1,862,464	22,193,042
NET OPERATING INCOME (LOSS)	31,742	31,796	30,325	78,146	75,538	84,253	95,013	43,384	56,789	95,689	101,975	96,280	820,930
NON-OPERATING REVENUE/EXPENSE:													
DONATIONS	0	0	0	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	36,168	36,168	36,168	36,168	36,168	36,168	36,168	36,168	36,168	36,168	36,168	36,168	434,016
OTHER NON-OPER EXPENSE	(6,188)	(6,188)	(6,188)	(6,188)	(6,188)	(6,188)	(6,188)	(6,188)	(5,048)	(5,048)	(5,048)	(5,048)	(69,696)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	29,980	29,980	29,980	29,980	29,980	29,980	29,980	29,980	31,120	31,120	31,120	31,120	364,320
NET SURPLUS (LOSS)	61,722	61,776	60,305	108,126	105,518	114,233	124,993	73,364	87,909	126,809	133,095	127,400	1,185,250

# San Benito Health Care District

## Budgeted Cash Flow

FYE June 30, 2025

Description	FY 2025												Total
	Budget July 2024	Budget August 2024	Budget September 2024	Budget October 2024	Budget November 2024	Budget December 2024	Budget January 2025	Budget February 2025	Budget March 2025	Budget April 2025	Budget May 2025	Budget June 2025	
Recurring Revenue	\$ 10,679,923	\$ 11,625,000	\$ 11,000,000	\$ 11,625,000	\$ 11,625,000	\$ 11,000,000	\$ 11,625,001	\$ 11,730,000	\$ 11,857,500	\$ 11,857,500	\$ 10,710,000	\$ 11,857,500	\$ 137,192,423
Net Supplemental Revenue	-	-	-	(200,000)	1,070,000	2,420,000	(1,770,086)	(3,461,475)	-	(410,000)	9,933,500	5,894,100	13,545,616
<b>Total Cash Receipts</b>	<b>10,679,923</b>	<b>11,625,000</b>	<b>12,069,577</b>	<b>11,425,000</b>	<b>12,695,000</b>	<b>13,420,000</b>	<b>9,854,915</b>	<b>8,268,525</b>	<b>11,857,500</b>	<b>11,447,500</b>	<b>20,643,500</b>	<b>18,751,600</b>	<b>152,738,039</b>
Operating Cash Disbursements	12,153,581	12,169,505	11,837,390	12,151,344	11,754,271	12,075,664	12,391,552	11,305,010	12,493,395	12,053,883	12,421,031	11,996,954	144,803,580
<b>Operating Cash Flow</b>	<b>(1,473,658)</b>	<b>(544,505)</b>	<b>232,187</b>	<b>(726,344)</b>	<b>940,729</b>	<b>1,344,336</b>	<b>(2,536,637)</b>	<b>(3,036,485)</b>	<b>(635,895)</b>	<b>(606,383)</b>	<b>8,222,469</b>	<b>6,754,646</b>	<b>7,934,459</b>
Other Non-Operating Revenue/Expenses:	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	100,000	100,000	100,000	100,000	100,000	1,591,410	100,000	100,000	100,000	100,000	1,302,062	100,000	2,893,472
Capital Expenditures	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	1,200,000
2021 Revenue Bonds	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	153,978	1,847,733
<b>Net Cash Flow</b>	<b>\$ (1,127,636)</b>	<b>\$ (798,483)</b>	<b>\$ (21,791)</b>	<b>\$ (980,322)</b>	<b>\$ 686,751</b>	<b>\$ 2,681,768</b>	<b>\$ (2,790,615)</b>	<b>\$ (3,290,463)</b>	<b>\$ (889,873)</b>	<b>\$ (860,361)</b>	<b>\$ 9,270,554</b>	<b>\$ 6,500,668</b>	<b>\$ 7,780,198</b>
% of Revenue	-16%	-7%	0%	-9%	5%	20%	-28%	-40%	-6%	-8%	45%	35%	5%
<b>Beginning Cash Balance</b>	<b>\$ 32,506,771</b>	<b>\$ 30,779,135</b>	<b>\$ 29,980,652</b>	<b>\$ 29,958,862</b>	<b>\$ 28,978,540</b>	<b>\$ 29,665,291</b>	<b>\$ 32,347,059</b>	<b>\$ 29,556,444</b>	<b>\$ 26,265,981</b>	<b>\$ 25,376,108</b>	<b>\$ 24,515,748</b>	<b>\$ 33,786,301</b>	<b>\$ 32,506,771</b>
Net Cash Flow	(1,127,636)	(798,483)	(21,791)	(980,322)	686,751	2,681,768	(2,790,615)	(3,290,463)	(889,873)	(860,361)	9,270,554	6,500,668	7,780,198
DHLP Funding - Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Usage of DHLP	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Cash Balance</b>	<b>\$ 30,779,135</b>	<b>\$ 29,980,652</b>	<b>\$ 29,958,862</b>	<b>\$ 28,978,540</b>	<b>\$ 29,665,291</b>	<b>\$ 32,347,059</b>	<b>\$ 29,556,444</b>	<b>\$ 26,265,981</b>	<b>\$ 25,376,108</b>	<b>\$ 24,515,748</b>	<b>\$ 33,786,301</b>	<b>\$ 40,286,969</b>	<b>\$ 40,286,969</b>



# Productive FTE Comparison Worksheet

Hazel Hawkins Memorial Hospital

DEPT	Description	2024 Actual	2025 Budget	Variance From
		Prod* FTE's	Prod FTE's	2024 Actual
16010	HHH Intensive Care Unit	10.42	10.40	(0.02)
16170	HHH Med/Surg	25.44	26.07	0.63
16380	HHH Obstetrics	17.36	18.87	1.51
16580	HHH SNF Mabie	32.97	37.87	4.90
16587	HHH SNF Northside	34.39	36.91	2.52
17010	HHH Emergency Room	29.25	31.10	1.85
17076	HHH Orthopedic Specialty Clinic	3.79	5.94	2.15
17077	HHH Multi-Specialty Clinic	5.07	6.42	1.35
17086	HHH Barragan Diabetes Clinic	7.04	7.85	0.82
17180	HHH Sunset Community Health Clinic	9.71	11.54	1.84
17181	HHH San Juan Bautista Clinic	3.34	4.77	1.43
17182	HHH Surgery Clinic	2.61	5.31	2.71
17187	HHH Fourth Street Clinic (4Th)San Juan	11.09	13.35	2.26
17189	HHH Mabie First (1st) Street	7.92	9.53	1.61
17400	HHH Labor/Delivery	0.00	0.00	0.00
17420	HHH Surgery	13.12	14.11	0.99
17427	HHH Recovery-Pacu	4.31	6.41	2.10
17500	HHH Laboratory	27.64	30.24	2.60
17510	HHH Lab Draw Stn-Mccray	2.14	2.36	0.22
17530	HHH Lab Draw Station-Sun	0.90	0.97	0.07
17560	HHH Echocardiology	0.85	0.90	0.05
17580	HHH 4Th St Draw Station	0.10	0.20	0.10
17590	HHH Sjb Cl Draw Stat	0.10	0.13	0.03
17591	HHH Ekg	1.01	1.39	0.38
17630	HHH Radiology	12.37	12.74	0.37
17633	HHH Mammography	3.69	4.44	0.75
17660	HHH Mri	1.12	1.41	0.29
17670	HHH Ultrasound	5.05	5.12	0.07
17674	HHH Ultrasound-4Th St Cl	0.36	0.40	0.04
17680	HHH Ct Scan	5.97	6.61	0.63
17690	HHH Radiology Diag Clini	0.01	0.90	0.89
17720	HHH Respiratory Therapy	9.40	9.43	0.04
17770	HHH Physical Therapy	6.08	7.18	1.11
17778	HHH Phys Ther SNF Mabie	2.08	3.28	1.20

# Productive FTE Comparison Worksheet

Hazel Hawkins Memorial Hospital

DEPT	Description	2024 Actual	2025 Budget	Variance From
		Prod* FTE's	Prod FTE's	2024 Actual
17780	HHH Speech Therapy	0.34	0.51	0.17
17788	HHH Speech Th SNF Mabie	0.41	0.40	(0.01)
17790	HHH Occupational Therapy	0.81	0.85	0.03
17798	HHH Occup Ther Mabie	0.71	1.80	1.09
17802	HHH Rec Therapy Mabie	3.41	3.56	0.16
17807	HHH Rec Therapy Northside	3.61	3.84	0.23
18328	HHH Nutrition Mabie	0.71	0.46	(0.25)
18340	HHH Dietary	11.64	10.59	(1.05)
18347	HHH Dietary Northside	6.82	6.79	(0.03)
18348	HHH Dietary Mabie	6.74	6.42	(0.32)
18357	HHH Laundry Northside	0.38	0.80	0.42
18358	HHH Laundry Mabie	0.88	0.88	0.00
18380	HHH Central Supply	2.36	2.62	0.26
18388	HHH Cent Supp Mabie	0.33	0.60	0.27
18400	HHH Purchasing	2.94	3.25	0.32
18408	HHH Purchasing SNF	0.65	0.70	0.05
18420	HHH Security	0.06	0.00	(0.06)
18440	HHH Housekeeping	22.45	20.72	(1.73)
18447	HHH Housekeeping Northside	5.57	5.65	0.08
18448	HHH Housekeeping Mabie	7.25	6.92	(0.33)
18450	HHH Plant	0.91	0.52	(0.38)
18457	HHH Plant Northside	0.21	0.28	0.07
18458	HHH Plant Mabie	0.21	0.28	0.07
18460	HHH Maintenance	6.37	6.40	0.03
18467	HHH Maintenance Northside	0.98	0.89	(0.09)
18468	HHH Maintenance Mabie	0.97	0.90	(0.07)
18470	HHH Communications	2.54	2.61	0.06
18480	HHH Data Processing	7.50	8.24	0.74
18488	HHH Data Processing SNF	1.46	1.50	0.04
18490	HHH Disaster Management	0.45	0.90	0.45
18510	HHH Accounting	5.74	6.00	0.26
18518	HHH Accounting Mabie	1.08	1.20	0.11
18530	HHH Patient Accounting	12.50	13.15	0.65
18538	HHH Pat Accounting SNF	1.31	1.20	(0.11)

# Productive FTE Comparison Worksheet

Hazel Hawkins Memorial Hospital

DEPT	Description	2024 Actual	2025 Budget	Variance From
		Prod* FTE's	Prod FTE's	2024 Actual
18550	HHH Credit/Collections	1.87	2.79	0.91
18570	HHH Admit/Registration	20.36	20.34	(0.02)
18610	HHH Administration	2.94	2.75	(0.20)
18618	HHH Administration SNF	0.38	0.40	0.02
18630	HHH Marketing & Develop	1.18	0.90	(0.28)
18650	HHH Personnel	1.82	2.80	0.98
18658	HHH Personnel SNF	0.50	0.80	0.30
18660	HHH Employee Health Serv	4.17	0.93	(3.24)
18670	HHH Auxiliary	0.01	0.50	0.49
18710	HHH Medical Staff	1.24	0.89	(0.35)
18720	HHH Nursing Admin	7.47	6.26	(1.21)
18727	HHH Nursing Admin Northside	4.57	5.89	1.32
18728	HHH Nursing Admin Mabie	4.95	5.64	0.69
18740	HHH In-Service Ed	0.03	0.06	0.03
18747	HHH In-Service Ed Northside	0.00	0.00	0.00
18748	HHH In-Service Ed Mabie	0.54	0.48	(0.07)
18750	HHH Prime\Qip Reporting	3.39	2.51	(0.87)
18751	HHH Utilization Review	2.97	4.10	1.13
18752	HHH Qual Assur & Resourc	2.95	3.10	0.14
18753	HHH Infection Control	0.48	0.90	0.42
18770	HHH Community Education	0.51	0.54	0.04
18790	HHH Foundation	1.26	1.35	0.09
18791	HHH Project Management	0.46	0.94	0.48

<b>Total - Productive FTE's</b>	<b>481.05</b>	<b>520.47</b>	<b>39.44</b>
<b>Breakdown by Facility:</b>			
<b>Acute FTE's</b>	<b>315.28</b>	<b>331.78</b>	<b>16.50</b>
<b>SNF FTE's</b>	<b>124.07</b>	<b>136.33</b>	<b>12.26</b>
<b>RHC FTE's</b>	<b>41.70</b>	<b>52.36</b>	<b>10.66</b>
	<b>481.05</b>	<b>520.47</b>	<b>39.42</b>

SAN BENITO HEALTH CARE DISTRICT  
CAPITAL EQUIPMENT FOR FISCAL YEAR ENDING JUNE 30, 2025

DEPARTMENT	FACILITY/DESCRIPTION	QTY	UNIT	AMOUNT	9/24	12/24	3/25	6/25	TOTAL	TOTAL	TOTAL	TOTAL
HOSPITAL/ACUTE												
Lab	Microscopes	1	20,000	20,000	20,000	20,000			20,000	20,000		
Lab	Matrix-Assisted Laser Desorption/Ionization Time-of-Flight Analyzer	1	200,000	200,000							100,000	100,000
Lab	Infectious Disease Analyzer	1	100,000	100,000							400,000	
Lab	Lab Middleware	1	100,000	100,000							1,000,000	
Lab	Hematology Analyzer	2	200,000	400,000							20,000	
Lab	Phase 3 Construction	1	1,000,000	1,000,000					20,000	150,000		
Lab	Refrigerators and Freezers	2	20,000	40,000							30,000	
Lab	BacT Alert Analyzer	1	150,000	150,000								
Lab	Platelet Rotator	1	30,000	30,000								
Lab	Phase 4 Construction	1	1,000,000	1,000,000								1,000,000
Lab	TOTAL	12		3,040,000	50,000	200,000	20,000	150,000	420,000	1,420,000	1,200,000	
Information Technology	PureStorage for Virtual Environment Expansion	1	88,575	88,575	88,575				88,575			
Information Technology	Office 365	700	360	252,000	252,000				252,000			
Information Technology	TOTAL	701		340,575	340,575				340,575			
Radiology	Ultrasound Machine	2	150,000	300,000	300,000							450,000
Radiology	Mammogram Unit	1	450,000	450,000								500,000
Radiology	Mammo Construction Phase	1	500,000	500,000								90,000
Radiology	Dexa Machine	1	90,000	90,000							600,000	
Radiology	Dexa Construction Phase	1	500,000	500,000							500,000	
Radiology	Fluoro Machine	1	600,000	600,000							500,000	
Radiology	Fluora Construction Phase	1	500,000	500,000							500,000	
Radiology	X-Ray Machine	1	500,000	500,000							170,000	
Radiology	X-Ray Construction Phase	1	500,000	500,000								
Radiology	Portable X-Ray Machine	2	170,000	340,000					200,000			
Radiology	C-Arm for Surgery	1	200,000	200,000								
Radiology	CT Machine	1	800,000	800,000					800,000			
Radiology	CT Machine Construction Phase	1	500,000	500,000					500,000			
Radiology	MRI Machine	1	1,500,000	1,500,000					1,500,000			
Radiology	MRI Construction Phase	1	500,000	500,000					500,000			
Radiology		17		7,780,000	300,000	2,000,000	200,000	1,300,000	3,800,000	2,270,000	1,710,000	
Operating Room	Steris Amisco v120 Prevac Sterilizer	1	80,000	80,000	80,000						80,000	
Operating Room	Steris Amisco v116 Prevac Sterilizer	1	80,000	80,000	80,000						80,000	
Operating Room	Stryker Surgical Beds OperOn D-Series	4	96,031	384,124	96,031				96,031		384,124	
Operating Room	Stryker 1688 CCU, CAM, Hub Imaging Camera & Monitors	1	84,000	84,000	84,000						84,000	
Operating Room	Sentimag Localization Surgical Probe Platform	1	108,500	108,500					108,500		108,500	
Operating Room	Scope Buddy Plus Endoscope Flushing Aid	2	14,000	28,000	14,000				14,000		28,000	
Operating Room	Bravo System/GI Manometry System	1	80,000	80,000	80,000				80,000		80,000	
Operating Room		11		844,624	354,031	176,031	218,531	96,031	844,624			
Recovery Room	Stryker Gurneys	4	10,000	40,000	40,000						40,000	
HOSPITAL ACUTE TOTAL												
		745		12,045,199	1,084,606	2,376,031	438,531	1,546,031	5,445,199	3,690,000	2,910,000	

## TELEMETRY SERVICES AGREEMENT

THIS TELEMETRY SERVICES AGREEMENT (this "**Agreement**") is made and entered into between San Benito Health Care District, a local health care district organized and operating pursuant to Division 23 of California Health and Safety Code ("SBHCD"), owner and operator of Hazel Hawkins Memorial Hospital ("**Hospital**"), and Hicuity Health, Inc., a Delaware corporation ("**HHI**"). Hospital and HHI are sometimes referred to in this Agreement as "**Party**" or "**Parties**". The "Effective Date" of this Agreement shall be the date of the last signature below.

### RECITALS:

A. Hospital owns and operates a hospital facility located at 911 Sunset Drive, Hollister, CA 95023, in which it has established or will establish telemetry care units (each a "**Unit**") that require telemetry monitoring by telemetry technicians.

B. HHI provides patient telemetry monitoring for clients of HHI.

C. Hospital desires to arrange with HHI for telemetry technicians to provide remote telemetry monitoring of patients in a Unit at Hospital, subject to and in accordance with the terms and conditions hereafter provided.

### AGREEMENT:

NOW, THEREFORE, in consideration of the recitals and the mutual covenants and agreements contained herein, the parties agree as follows:

#### ARTICLE I - REMOTE MONITORING AND OTHER SERVICES

1.1 HHI Services. HHI will provide the services described in this Section 1.1 (such services are collectively referred to as the "**HHI Services**").

(a) The "**Remote Telemetry Services**" means monitoring of telemetry messages sent from the patient monitor to the central station at the Hospital and remotely replicated at the HHI operations center, by telemetry technicians specifically trained in telemetry monitoring; interpretation of heart rhythms and other ancillary measurements; reporting and documentation of such monitoring of the patient; and communication with the local clinical staff at the Unit regarding telemetry messages. Prior to the commencement of services and within 30 days after execution of this Agreement, the parties shall meet to (i) cooperatively develop and define workflows, policies and procedures to facilitate the Remote Telemetry Services, (ii) provide a detailed statement of roles and responsibilities of Hospital and HHI staff, and (iii) discuss reporting obligations. During the term of this Agreement, HHI shall: (i) staff the Remote Telemetry Services with telemetry technicians that are exclusively dedicated to remote telemetry monitoring and have passed the EKG Technician Certification, (ii) staff the Remote Telemetry services in a manner adequate to ensure timely communication with Hospital, and (iii) provide its services in accordance with all applicable federal, state and local laws and regulations, prevailing professional standards in the community and the standards of any applicable accrediting or certifying body.

(b) Beginning on the Actual Launch Date (as hereafter defined), HHI shall arrange for telemetry technicians to perform the Remote Telemetry Services by remotely monitoring adult patients in Six (6) telemetry beds in the Units ("**Telemetry Beds**") using designated remote telemetry technology. Shall Hospital request Remote Telemetry Services on pediatric patients, the parties will enter into an amended Agreement. The Remote Telemetry Services shall be provided for twenty-four (24) hours per day, seven (7) days a week, except during periods of downtime due to scheduled or emergency maintenance or events such as natural disaster and other circumstances beyond the reasonable control of HHI. HHI will use best efforts to provide advance notice of scheduled downtime of the HHI Services hereunder. For purposes of this Agreement, the term "**Actual Launch Date**" means the date on which HHI's telemetry technicians first begin remote monitoring of patients in the Unit.

(c) HHI will provide Hospital with periodic reports during the term of this Agreement. The parties will collaboratively develop the content and reporting frequency of these reports.

(d) HHI will collaborate with Unit clinical staff to integrate the Remote Telemetry Services with the Hospital's existing clinical workflows.

(e) HHI does not warrant the accuracy of the information entered into, contained in or derived from equipment used by Hospital in the Remote Telemetry Services. Hospital acknowledges that the professional duty to the patient in providing health care services lies solely with the health care professionals providing patient care services. The clinical and other information contained in or derived from the Remote Telemetry Services is intended as a supplement to, and not a substitute for, the knowledge, expertise, skill, and judgment of physicians, nurses, pharmacists, or other health care professionals involved in patient care at the Hospital. HHI assumes no responsibility for actions of Hospital personnel which may result in any liability or damages due to malpractice, failure to warn, negligence or any other basis. Hospital likewise assumes no responsibility for actions of HHI personnel which may result in any liability or damages due to malpractice, failure to warn, negligence or any other basis.

(f) HHI shall own and be responsible for providing the KVM transmitter(s) and gateways to transmit data from the Hospital's patient monitoring system to HHI, as deemed necessary by HHI, and which will be located at the Hospital..

1.2 Implementation Plan and Proposed Launch Date. Within 30 days following execution of this Agreement, HHI and Hospital shall develop an implementation plan ("**Implementation Plan**") enabling the parties to fulfill their respective obligations. The final Implementation Plan will set forth resources, roles and responsibilities of the parties. The parties shall use all reasonable efforts to develop, comply with and abide by the Implementation Plan and timely execute their respective responsibilities. The Implementation Plan will set forth a "**Proposed Launch Date**", which is the expected date HHI's telemetry technicians begin monitoring of the Unit. The Proposed Launch Date shall be one hundred twenty (120) days from the Effective Date of this Agreement and is subject to modification only upon written agreement of the parties.

1.3 Hospital Operational Obligations. Hospital shall purchase, install and maintain, at its own cost, the required equipment and any additional hardware, software and connectivity as may be necessary to provide patient telemetry information to enable the delivery of the HHI Services. Furthermore, Hospital shall coordinate with any of its third-party vendors, including but not limited to telecommunications, hardware and software vendors, to support the Services on an ongoing basis and to facilitate the Implementation Plan and timelines as outlined in Section 1.3.

(a) Equipment, Hardware and Software. Hospital shall secure, equip, furnish and maintain, at its own cost, the Unit and Telemetry Beds so that HHI may provide the HHI Services contemplated herein. Hospital's costs and responsibilities for equipment include, but are not limited to, the following: (i) the initial costs associated with the purchase and installation of equipment, hardware and software to deliver telemetry messages used in the Remote Telemetry Services; (ii) any related third party software and components, including industry-acceptable technology security measures; and (iii) the ongoing operating costs, including: purchasing and installing third party software updates and upgrades; maintaining updated security applications; and arranging for local IT support of Hospital-owned equipment, hardware and software to deliver telemetry messages used for the Remote Telemetry Service. Prior to Hospital changing, upgrading or modifying its equipment used in the Remote Telemetry Services, Hospital must provide HHI with as much as possible, and at least 90 days', advanced notice of, any such change, upgrade or modification. If such change, upgrade or modification requires HHI to change, upgrade or modify its equipment in order to provide the Remote Telemetry Services, the parties will discuss and agree on responsibility for any such required expenses prior to Hospital proceeding with any equipment change, upgrade or modification. Hospital shall also assist HHI with the installation of the KVM transmitter.

(b) Connectivity. The parties will work together to arrange network connection through at least one MPLS (Multiprotocol Label Switching) or point-to-point connection to provide the Remote Telemetry Services, although Hospital acknowledges that HHI recommends two redundant and diverse connections that would be used as a primary and backup network connection for the Remote Telemetry Services. Should the Hospital desire to obtain and manage the network connections between Hospital and HHI's operations, such fees will be the responsibility of the Hospital. Hospital shall make its IT support team available 24/7 to HHI to help troubleshoot connectivity matters. Hospital shall also place a dedicated router, specified by HHI, on the network circuits for purposes of HHI managing the router and facilitating the troubleshooting process. If Hospital and HHI agree that HHI shall obtain and manage the network connections between Hospital and HHI's operations, then Hospital shall pay HHI in accordance with paragraph B.2(c) of **Exhibit B** for such services. Hospital and HHI will test the connection initially during the implementation period and on an ongoing basis during the term of this Agreement. If either party determines for any reason that the connection does not adequately address the needs of the Remote Telemetry Services, then the party making the determination shall notify the other party, in writing, of its determination. Within the forty-five (45) day period following the giving of such notice (or sooner if reasonably practicable), Hospital will implement an alternative connection between Hospital and HHI's operations center to assure HHI will be able to provide the Remote Telemetry Services as anticipated herein.

(c) Required Data. Hospital will provide (i) an ADT interface filtered to contain only data for patients with a telemetry order for the Remote Telemetry Services, and (ii) Alarm and Waveform data, which may be acquired via interface or a gateway, to HHI. Alternatively, the aforementioned ADT interface may be satisfied via an Order interface. The Parties will work together to implement and test the data integrations prior to commencement of HHI Services.

(d) Acknowledgment of Redundancy Recommendation. Hospital acknowledges and agrees HHI recommends two redundant and diverse MPLS network connections as described in Section 1.3(b) above. Should Hospital choose not to use the two redundant and diverse network connections, Hospital understands and agrees HHI disclaims any warranties related to the connectivity issues and limits its liability as further detailed in Section 1.3(d) below. Hospital also understands and agrees that should it choose not to use the two redundant and diverse network connections, the Remote Telemetry Services will be unavailable during scheduled and unscheduled downtimes.

(e) DISCLAIMER OF WARRANTIES AND LIMITATION OF LIABILITY. SHOULD HOSPITAL CHOOSE NOT TO ARRANGE A REDUNDANT NETWORK CONNECTIVITY METHOD:

(i) HHI MAKES NO WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, A WARRANTY THAT THE OPERATION OR USE OF THE TELEMETRY NETWORK CONNECTIVITY EQUIPMENT WILL BE UNINTERRUPTED OR ERROR FREE, AND EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR IMPLIED WARRANTY OF NON-INFRINGEMENT.

(ii) HHI STATES THE TOTAL LIABILITY, IF ANY OF HHI, FOR ALL DAMAGES AND BASED ON ALL CLAIMS, WHETHER ARISING FROM BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY, OR TORT, OR OTHERWISE, ARISING FROM THE TELEMETRY NETWORK CONNECTIVITY EQUIPMENT OR ANY PART THEREOF SHALL NOT EXCEED THE UPFRONT FEE FOR TELEMETRY SERVICES CHARGED PURSUANT TO EXHIBIT B SECTION B.1 OF THIS AGREEMENT. IN NO EVENT SHALL HHI BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST REVENUES, OR PROFITS, BUSINESS INTERRUPTION, LOSS OF DATA, OR THE COST OF SUBSTITUTE PRODUCTS WHETHER ARISING FROM BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHER TORT.

(f) Electronic Medical Record.

(i) No Access Required. HHI's telemetry technicians will not access Hospital's electronic medical record system. Hospital staff is responsible for all documentation in the patient medical record.

(ii) Timely Reports. During the term of this Agreement, Hospital staff shall prepare on a timely basis, in accordance with all applicable policies, complete and accurate medical and other records, reports, and supporting documents with respect to the patients in the Unit.

(iii) Ownership. The ownership and right of control of all reports, records, medical records and supporting documents prepared in connection with the HHI Services provided hereunder shall rest exclusively in Hospital; provided, however, HHI shall have the right to access such reports, records and supporting documentation as shall be permitted by law. Upon the expiration or termination of this Agreement for any reason, Hospital shall permit HHI and its employees or agents reasonable access to such records during business hours for any purpose, including to comply with applicable law or compulsory legal process, or to assert any right or defend against any claims or actions. The provisions of this Section 1.3(e)(iii) shall survive termination of this Agreement for any reason.

(g) Additional Obligations. During the term of this Agreement, Hospital shall: (i) staff the Unit in a manner adequate to ensure timely communication with HHI and timely care to patients; (ii) maintain back up procedures which shall allow for continuity of patient care should there be any technology disruptions that prohibit the delivery of Remote Telemetry Services; and (iii) provide its services in accordance with all applicable federal, state and local laws and regulations, prevailing professional standards in the community, and the standards of any applicable accrediting or certifying body.

## ARTICLE II - COMPENSATION

2.1 Fees. Hospital agrees to pay HHI for HHI Services provided under this Agreement as set forth on Exhibit B attached hereto.

2.2 Implementation Delays. If the Actual Launch Date is materially delayed by Hospital, or any of Hospital's third-party vendors, beyond the Proposed Launch Date, or as otherwise mutually agreed to in writing, then HHI reserves the right to initiate charging the expected service fees set forth in Exhibit B at the Proposed Launch Date milestone date or any other date agreed upon in writing by as set forth in Section 1.2 for such Hospital. Such service fee shall be based on the lesser of expected Patient Days as provided to HHI by Hospital, or 70% average daily occupancy of each Telemetry Bed.

2.2 Invoices. HHI shall submit monthly invoices to Hospital, who shall pay each invoice within thirty (30) days after receipt thereof. In the event Hospital has a bona fide good faith dispute related to an invoiced amount, Hospital shall notify HHI within thirty (30) calendar days of receipt of the disputed invoice and shall pay the remaining balance of the undisputed invoiced amount in accordance with this Section. The parties shall work diligently and in good faith to resolve any disputed invoiced amounts within thirty (30) days of notice of a dispute.

2.3 Interest Charge. Interest charges at one and one-half percent (1.5%) per month, or the maximum rate permitted by applicable law if less, may be charged on undisputed invoiced amounts past due.

## ARTICLE III - INSURANCE AND INDEMNIFICATION

3.1 HHI General Liability Insurance. HHI shall maintain comprehensive general liability insurance covering itself and its employees and agents providing services pursuant to this Agreement in the minimum amounts of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the annual aggregate. Upon request, HHI will provide Hospital certificate(s) of insurance evidencing said coverage.

3.2 Professional Liability Insurance. HHI shall maintain professional liability coverage for the HHI Services provided under this Agreement in the amount of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the annual aggregate. If HHI is unable to obtain occurrence-based coverage, HHI shall, in its sole determination, obtain appropriate tail coverage. Upon request, HHI will provide Hospital certificate(s) of insurance evidencing said coverage.

3.3 Internet and Network Security Insurance. HHI will maintain privacy, Internet and network security insurance covering itself and its employees and agents providing services pursuant to this Agreement in the minimum amounts of three million dollars (\$3,000,000) per occurrence and in the annual aggregate. Upon request, HHI will provide Hospital certificate(s) of insurance evidencing said coverage.

3.4 Hospital Insurance. Hospital shall maintain general and professional liability insurance coverage in amounts of not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the annual aggregate. Hospital shall also maintain privacy, Internet and network security insurance covering itself and its employees and agents providing services pursuant to this Agreement in the minimum amounts of three million dollars (\$3,000,000) per occurrence and in the annual aggregate. Upon request, Hospital will provide HHI certificate(s) of insurance evidencing said coverage.

3.5 Indemnification by Hospital. Hospital agrees to indemnify and hold HHI harmless from and against any and all claims, causes of action, liabilities, damages and expenses, including reasonable attorneys' fees and court costs, brought against or suffered or incurred by HHI, arising out of or resulting from any negligent or wrongful act or omission of Hospital or its agents or employees or the failure of Hospital to perform its duties and obligations under this Agreement. This Section 3.5 survives the termination of this Agreement for any reason.

3.6 Indemnification by HHI. HHI agrees to indemnify and hold Hospital harmless from and against any and all claims, causes of action, liabilities, damages and expenses, including reasonable attorneys' fees and court costs, brought against or suffered or incurred by Hospital, arising out of or resulting from any negligent or wrongful act or omission of HHI or its agents or employees or the failure of HHI to perform its duties and obligations under this Agreement. This Section 3.6 survives the termination of this Agreement for any reason.



## ARTICLE IV - TERM AND TERMINATION

4.1 Term and Renewal. The term of this Agreement will begin on May 1, 2024, and continues for a three (3) year period immediately following the Actual Launch Date. The Agreement will automatically renew on the same terms and conditions for successive one (1) year periods thereafter unless this Agreement is sooner terminated as provided within this Agreement or a party gives written notice of non-renewal to the other at least one hundred eighty (180) days prior to the expiration of the then current term.

4.2 Other Termination. This Agreement may be terminated upon written notice:

(a) by HHI if Hospital does not implement the stated number of Telemetry Beds as detailed (or within the timeframe indicated) in Section 1.1(b) and 1.2; or

(b) by the non-defaulting party if another party defaults in the performance of any material obligation under this Agreement and such default is not cured within thirty (30) days after written notice of such default (unless a longer cure period is permitted in writing by the non-defaulting party); or

(c) by a party if another party applies for or consents to the appointment of a receiver, trustee or liquidator of itself for all of or a substantial part of its assets, files a voluntary petition of bankruptcy or admits in writing its inability to pay its debts as they become due, makes a general assignment for the benefit of its creditors, files a petition or answer seeking reorganization or arrangement with creditors or seeking the benefits of any insolvency law.; or.

4.3 Effect of Termination.

(a) Within thirty (30) days following termination of this Agreement, each party shall return to the other party, such party's Confidential Information, or shall destroy such Confidential Information and certify in writing to the other party such destruction. Furthermore, any equipment provided by HHI shall be returned to HHI.

(b) Survival. Neither expiration, suspension nor termination of this Agreement shall terminate those obligations and rights of the parties pursuant to provisions of this Agreement which by their express terms are intended to survive and such provisions shall survive the expiration, suspension or termination of this Agreement. Without limiting the foregoing, the respective rights and obligations of the parties under Sections 1.3(e), 1.3(f)(iii), 3.5, 3.6, 4.3, Article II and V and Exhibit A shall survive the suspension, expiration or termination of this Agreement regardless of when such suspension, expiration or termination becomes effective.

## ARTICLE V - MISCELLANEOUS

5.1 Independent Contractors. The parties acknowledge that HHI is an independent contractor and nothing in this Agreement is intended, nor shall be construed to create, an employer-employee relationship, a joint venture relationship, an agency relationship or landlord tenant relationship between the parties.

5.2 Governmental Access. Pursuant to 42 U.S.C. Section 1395x(v)(1)(I) and 42 C.F.R. Sections 420.300-420.304, the parties agree to comply with the following.

(a) HHI shall, until the expiration of seven (7) years after the furnishing of the services pursuant to this Agreement, retain and make available, upon written request by the Secretary of the U.S. Department of Health and Human Services, or upon written request by the U.S. Comptroller General, or any of their duly authorized representatives, this Agreement and any books, documents and records of HHI that are necessary to verify the nature and extent of the costs of the services under this Agreement.

(b) If HHI carries out any of the duties of this Agreement through a subcontract with a value or cost of ten thousand dollars (\$10,000) or more over a twelve (12) month period with a related organization, such subcontract shall contain a clause to the effect that the related organization shall abide by the same circumstances as detailed in section 5.2(a) above.

(c) In the event of a request for access, HHI agrees to notify Hospital immediately and to inform Hospital what response will be made to the request.

(d) This Section 5.2 survives the termination of this Agreement for whatever reason.

5.3 Notices. All notices, demands, requests or other communications which may be or are required to be given, served or sent by any party to any other party pursuant to this Agreement must be in writing and must be hand delivered, sent by recognized overnight delivery service, mailed by first-class, registered or certified mail, or sent by electronic mail to the addresses on the signature page of this Agreement or such other addresses as either party shall, in writing, inform the other in accordance with this Section 5.3. Each notice, demand, request, or communication that is delivered consistent with this Section 5.3 will be deemed sufficiently given or received for all purposes at such time as it is delivered to the addressee or at such time as delivery is refused by the addressee upon presentation.

5.4 Amendment. Except as otherwise provided herein, this Agreement may be amended only by mutual written agreement of the parties.

5.5 Entire Agreement. This Agreement, together with all exhibits and attachments, contains the entire agreement between the parties relating to the subject matter of this Agreement. Any prior agreements, promises, negotiations or representations relating to the subject matter of this Agreement not expressly set forth in this Agreement are of no further force or effect.

5.6 Governing Law. This Agreement will be interpreted, construed and enforced in accordance with the laws of the State of California, and shall be binding upon the parties hereto and their successors.

5.7 Third Party Beneficiaries. Unless otherwise set forth herein, nothing express or implied in this Agreement is intended to confer, nor shall anything in this Agreement confer, upon anyone other than Hospital, HHI, and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

5.8 Cooperation. The parties will cooperate with each other to the fullest extent practicable in the execution of their obligations under this Agreement, and in obtaining all necessary licenses, consents and approvals. Upon the reasonable request of a party, the other party shall promptly provide any information relating to the services and obligations of the parties under this Agreement.

5.9 Confidentiality.

(a) Any information which a Party reasonably requests from another Party and which is necessary for the service contemplated in this Agreement shall be provided by the other party in a timely fashion and in a form reasonably specified. All information between the Parties shall be treated as “**Confidential Information**” unless otherwise identified.

(b) All Confidential Information provided by one party or its representatives or subcontractors (the “**Disclosing Party**”) to the other party (the “**Receiving Party**”), whether in oral, written or other intangible or tangible media form or otherwise, or to which the Receiving Party acquires access during the term of this Agreement shall be treated with the same degree of care to protect the confidentiality of such information as the Receiving Party uses to protect the confidentiality of its own proprietary information (but in no event less than reasonable care) and shall only use it in respect of the proper operation of the transactions contemplated by this Agreement. All nonpublic information provided by a Party shall be treated as Confidential Information.

(c) The confidentiality obligations in this Section 5.9 shall continue for a period of three years (or such longer period as is required by applicable law) from the date of receipt but shall not apply to any of such information which: (i) is publicly available through no fault of the Receiving Party at any time during this Agreement; (ii) is already known by the Receiving Party prior to access; (iii) is independently developed by the Receiving Party; or (iv) is rightfully obtained by the Receiving Party from third parties without restriction.

(d) Each Party shall have the right to disclose Confidential Information to their respective affiliates, consultants, contractors and subcontractors as necessary to allow the Party to fulfill its obligations contemplated by this Agreement, subject to any such affiliates, consultants, contractors and subcontractors undertaking the same or reasonably similar confidentiality obligations as provided in this Section.

(e) HHI and Hospital shall each have the right to disclose Confidential Information referenced above if required by law, subpoena or governmental order, to the extent required by such law, provided that the Receiving Party shall promptly notify the Disclosing Party of such law, assert the confidentiality of such Confidential Information, and provide

the Disclosing Party with a reasonable opportunity to oppose such disclosure or obtain a protective order (including but not limited to “confidential treatment” pursuant to U.S. securities laws) reasonably satisfactory to the Receiving Party to maintain the confidentiality of such data, information or materials.

(f) The above confidentiality obligations shall not apply to Protected Health Information (as defined in the HIPAA Requirements; sometimes referred to hereafter as “**PHI**”), which shall be governed by the Business Associate Agreement attached hereto in **Exhibit A**.

(g) Notwithstanding any of the confidentiality obligations to the contrary within this Section, both parties may disclose this Agreement to an attorney, accountant, investor (current or potential), or other professional advisor for the limited purpose of reviewing this Agreement on behalf of the party, or to regulatory, licensure or accreditation body surveyors or other similar representatives who have a duty or right to review such agreements for accreditation or other clinically related purposes.

(h) **Breach of Confidentiality Obligations.** The parties acknowledge and agree that any breach of confidentiality pursuant to this Agreement will cause irreparable injury to the parties and therefore agree that the aggrieved party’s remedies for such breach shall include, in addition to damages and other available remedies, injunctive relief including but not limited to temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bond or security which is waived by the relevant party or a cure period.

5.10 **Force Majeure.** A Force Majeure event is defined as any failure of performance under this Agreement if such failure results, whether directly or indirectly, from fire, explosion, strike, freight embargo, act of God or of the public enemy, war, terrorist act, civil disturbance, act of any government – de jure or de facto, or any agency or official thereof, labor shortage, transportation contingencies, unusually severe weather, default of manufacturer or supplier as a subcontractor, quarantine restriction, epidemic, pandemic outbreaks of infectious disease or any other public health crisis, or other causes beyond the control of said party. Hospital provides its equipment, information systems, and is responsible for ensuring its patient care environment is available to and accessible by HHI (“**Hospital Deliverables**”), and HHI provides the Remote Monitoring Services within that patient care environment (“**HHI Deliverables**”), as both sets of deliverables are further detailed in this Agreement.

If a Force Majeure event prevents or delays Hospital – and not HHI – from providing Hospital deliverables for more than sixty (60) calendar days at any time during the term, then HHI shall have the right to a) terminate the affected portion of the Agreement or the entire Agreement as of the date specified by HHI in a written notice of termination to Hospital, or b) HHI shall have the right to extend the term of the Agreement for a period of time equal to the length of Hospital’s delay or inability to perform.

If a Force Majeure event prevents or delays HHI – and not Hospital – from providing HHI Deliverables for more than sixty (60) calendar days at any time during the term, then Hospital shall have the right to a) terminate the affected portion of the Agreement or the entire Agreement as of the date specified by Hospital in a written notice of termination to HHI, or b) Hospital shall have the right to extend the term of the Agreement for a period of time equal to the length of HHI’s delay or inability to perform.

If a Force Majeure event concurrently prevents or delays both parties from providing their respective deliverables for more than sixty (60) calendar days at any time during the term, then the term of the Agreement will extend for a period of time equal to the length of the delay or inability to perform and is subject to modification only upon written agreement of the parties.

5.11 **Compliance with Laws.** During the term of this Agreement, each party shall abide by and comply with all state and federal laws and regulations applicable to it in connection with its duties and responsibilities under this Agreement.

5.12 **Use of Name.** Except as otherwise provided in this Section 5.12, no party shall use any other party’s name, symbols, trademarks or service marks without the prior written consent of such other party, which consent will not be unreasonably withheld or delayed. Hospital agrees that HHI may identify Hospital on its client list, and each party agrees that the other party may use such party’s name to the extent reasonably necessary or appropriate for such party to provide its services and fulfill its duties under this Agreement.

5.13 **Interpretation.** The parties each acknowledge and represent that they: have negotiated this Agreement over a period of time; have read and fully understand the terms of this Agreement and the attached Exhibits; have consulted with

and have been advised by independent legal counsel and other advisors regarding the Agreement; and that the Agreement shall not be construed against any party.

5.14 Waiver. Except as otherwise provided herein, no term or provision hereof shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether expressed or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

5.15 Severability. If a court or other tribunal of competent jurisdiction holds any term or provision, or portion thereof, of this Agreement to be invalid, void or unenforceable, the remaining provisions of the Agreement shall remain in full force and effect. It is the parties' intention that if a court or other tribunal holds any term or provision of this Agreement to be excessive in scope, such term or provision shall be adjusted rather than voided, if possible.

5.16 Delegation. HHI may delegate any of its obligations under this Agreement to any subcontractor(s). In such event, HHI will remain responsible to System for the work of such subcontractor and will ensure that such subcontractor be included within the provisions of the Business Associate Agreement attached as Exhibit A.

5.17 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party to this Agreement shall assign this Agreement or any rights or obligations hereunder without first obtaining the written consent of the other parties. Any attempt to otherwise assign or transfer any of the rights, duties or obligations of any party to this Agreement in the absence of such consent will be void. Notwithstanding the foregoing, an assignment by any party of this Agreement in consequence of a consolidation or merger with another person, the formation of a subsidiary or any other transaction whereby all or substantially all of the property or assets of such party become the property or assets of another entity shall not be considered to be an assignment for the purposes of this Section 5.17.

5.18 Referrals. The parties acknowledge that none of the benefits granted to any party hereunder are conditioned on any requirement that any party make referrals or be in a position to make or influence referrals to, or otherwise generate business for, the other parties.

5.19 Representations and Warranties.

(a) Each of the parties represent and warrant to each of the other parties that:

- (i) it has the full right and legal authority to enter into and fully perform this Agreement in accordance with its terms;
- (ii) the persons signing this Agreement on behalf of the party has the power and authority to execute this Agreement on behalf of such party;
- (iii) this Agreement, when executed by all parties, will be a legal, valid and binding obligation enforceable against each party in accordance with its terms;
- (iv) the execution and delivery of this Agreement have been duly authorized by the party, and such execution and delivery and the performance by the party of its respective obligations hereunder, do not and will not violate or cause a breach of any other agreement or obligation to which the party is obligated or bound, and no approval or other action by any governmental authority or agency is required in connection herewith; and
- (v) in addition to being true as of the date first written above, each of the foregoing representations, warranties, and covenants shall be true at all times during the term hereof.

(b) Each of the representations, warranties and covenants set forth in Sections 5.19(a) above will be deemed to be material and to have been relied upon by the parties notwithstanding any investigation made by the parties.

5.20 HIPAA Requirements. HHI and Hospital shall comply with all laws applicable to their respective business concerning patient privacy and confidentiality. The parties have entered into the Business Associate Agreement in Exhibit A.

5.21 Employee Non-Solicitation. During the term of this Agreement and for one (1) year after the effective termination date of the Agreement, no party will solicit, directly or indirectly, a "Significant Employee" of any other party to this Agreement, without prior written approval of the chief executive officer of the employer of that Significant Employee. If a Significant Employee is hired (directly or indirectly) without prior written approval, then the hiring party will pay the other party (or parties) a sum equal to two (2) years of the Significant

Employee's salary. For purposes hereof, the term "Significant Employee" means any person employed by any party to this Agreement (including a party's affiliated professional corporations that employ a party's providers) in a professional, non-clerical and non-custodial position. This provision applies to any Significant Employee during the term of this agreement and for a 12-month period post-employment. This restriction shall not apply to any person employed by a party who seeks employment with the other party through media of general availability, such as newspapers or trade publication advertisements, internet listing or similar solicitations not targeted at specific employees, and to which individuals choose to respond.

5.22 Joint Commission Standard. HHI represents and warrants that the Services will be provided safely and effectively. In order to ensure compliance with this provision, HHI agrees to submit to an annual evaluation of the performance of the Services by means including, but not limited to, direct observation, audit of documentation, review of incident reports, review of periodic reports, collection of data, review of performance reports, review of staff and patient input, review of patient satisfaction studies, and/or review of results of risk management activities. Any such annual evaluation shall be conducted by Hospital upon reasonable advance written notice to HHI and shall be performed at the sole cost and expense of Hospital. The parties intend and agree that this provision and this Agreement are intended to comply with imposed Joint Commission Standard LD 04.03.09.

5.23 Dispute Resolution. In the event a dispute between the Parties arises out of or is related to this Agreement, the Parties shall make good faith efforts to settle the dispute by discussions prior to any other dispute resolution process. A Party shall provide notice of a dispute to the other Party and the Parties will assign the appropriate level of management who will initiate discussions to seek resolution of the dispute, consistent with the terms of this Agreement. Both Parties agree to make best efforts to reach a mutually agreeable resolution within a reasonable timeframe considering the nature of the dispute from the date of the original notice.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the dates set forth below.

**"Hospital"**  
**Hazel Hawkins Memorial Hospital**

**"HHI"**  
**Hicuity Health, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: Andrea Clegg

Title: \_\_\_\_\_

Title: Chief Financial Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address:

Address: One CityPlace Drive, Suite 570

St. Louis, MO 63141

Attention: \_\_\_\_\_

Attention: CFO

Fax: \_\_\_\_\_

Fax: N/A

Electronic Mail: \_\_\_\_\_

Electronic Mail: [andrea.clegg@hicuityhealth.com](mailto:andrea.clegg@hicuityhealth.com)

**ATTACHMENTS:**

Exhibit A – Business Associate Agreement

Exhibit B – Fees

Exhibit C – Clinical Roles, Responsibilities, and Metric Reporting

## **EXHIBIT A – BUSINESS ASSOCIATE AGREEMENT**

## EXHIBIT B – FEES

B.1 Upfront Fee. Hospital will pay an upfront fee of Five Thousand Dollars (\$5,000) for one (1) central station. Such upfront Fee shall be paid upon execution of the Agreement. Should Hospital add future additional central stations, HHI shall invoice in accordance with the above terms.

B.2 Service Fees.

(a) Beginning on the Actual Launch Date and during the term of this Agreement, Hospital shall pay HHI a rate of Twenty-Six Dollars (\$26.00) per Patient Day which HHI shall invoice to Hospital on a monthly basis. Such service fees shall be subject to a monthly minimum fee of Five Thousand Dollars (\$5,000).

A “**Patient Day**” shall be defined as a unique patient occupying a Telemetry Bed for some portion of a single day (12:00am EST to 11:59pm EST), no matter how much of the day that patient occupies the Telemetry Bed. For clarification, a Telemetry Bed occupied by two different patients in a single day constitutes two patient days – one for each unique patient occupying the Telemetry Bed.

(b) The foregoing fees in Section B.2(a) are subject to annual increase on each anniversary of the Actual Launch Date based on the percentage increase over the most recent 12 month period in the Consumer Price Index (the “Index”), United States City Average, for “All Urban Consumers”, published by the Bureau of Labor Statistics of the United States Department of Labor (or if the Index is no longer published or issued, any successor index).

(c) Network Connectivity. If Hospital elects for HHI to procure and manage the network connections supporting hardware between Hospital and HHI’s operations center, Hospital shall pay HHI actual cost incurred, plus an administrative fee of twenty percent (20%) of the actual cost incurred for the implementation of such network connection in accordance with Article I of this Agreement. In addition, Hospital agrees to pay actual cost plus an administrative fee of twenty percent (20%) of the actual cost per month for the duration of the initial contract period and any subsequent renewal term for maintenance and support of the above referenced network connections.

B.3 Taxes. All prices exclude taxes, duties, shipping and handling. Any applicable taxes shall be the responsibility of Hospital. In the access and use provided hereunder, no tangible personal property is being sold, transferred or delivered to Hospital.

## EXHIBIT C – CLINICAL ROLES, RESPONSIBILITIES AND METRIC REPORTING

C.1 Metrics. During the term of this Agreement, the parties agree to work collaboratively to develop, monitor and report on specific clinical metrics, as may be possible.

C.2 Roles and Responsibilities of the Parties. The standard responsibilities of the telemetry service offering include:

- Baseline “strip” will be measured, annotated and sent to the Hospital one time per twelve hour shift per patient by HHI.
- Hospital is responsible for final strip interpretation and adding strips to the patient medical record as applicable.
- HHI will monitor cardiac waveforms and call on associated alarms as described in Exhibit D
- Hospital is responsible to answer HHI notifications and treat the patient as appropriate.
- Admit and discharge to monitoring stations will be the responsibility of the Hospital
- Silencing of alarms on the monitoring stations will be the responsibility of the Hospital
- The Parties’ operational and clinical teams will meet at least one time per week during the implementation phase and initial eight weeks of service once launched
- The Parties’ leadership teams will meet weekly during the implementation phase and monthly during the initial eight weeks of service
- The Parties agree to configure the Hospital monitoring central stations and other technology platforms to optimize the integrated workflows

Within 30 days following execution of this Agreement, the parties agree to cooperatively develop and define workflows, policies and procedures in advance of the Proposed Launch Date. It is anticipated that the parties will address the following:

- What is to be documented?
- When is something documented?
- Who documents it?
- Where is it documented?
- What is the protocol for contacting/alerting Hospital staff?
- How are “strips” documented and retained?
- What are downtime procedures?
- How is a patient admitted/discharged for Remote Telemetry Services?



# EXHIBIT D – STANDARD ALARMS

Alarm/Alert	Who is called?
Lead(s) Off-No interpretable rhythm	1. Assigned Nurse 2. Charge Nurse 3. House Supervisor
No Signal	
Dead Battery	
Sustained Artifact/Inability to interpret rhythm > 2 min	
Low/Weak Battery	1. Assigned Nurse 2. Charge Nurse 3. House Supervisor
Lead(s) Off-Interpretable rhythm	
Idioventricular Rhythm	1. Assigned Nurse 2. Charge Nurse 3. House Supervisor
Sustained VT	
VFib	
Asystole	
Rhythm Changes <b><u>which generate an alarm</u></b>	
Pause >2.5 sec	
Vtach (5 beats or more)	
High Limit >150 beats/min	
Low Limit <40 beats/min	
Vtach >100 beats/min	