



**Hazel Hawkins**  
MEMORIAL HOSPITAL

**SPECIAL AND REGULAR MEETING OF THE BOARD OF DIRECTORS  
SAN BENITO HEALTH CARE DISTRICT  
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA  
THURSDAY, OCTOBER 27, 2022 – 5:00 P.M.  
SUPPORT SERVICES BUILDING, 2<sup>ND</sup>-FLOOR, GREAT ROOM  
IN-PERSON AND BY VIDEO CONFERENCE**

**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.

**This meeting will be held in-person and by video conference in order to reduce the risk of spreading COVID-19 and pursuant to the Governor’s Executive Orders and the County of San Benito Public Health Officer’s Orders. All votes taken during this meeting will be by roll call vote, and the vote will be publicly reported.**

There is limited capacity for the public to attend at the physical location of the meeting. Members of the public may also participate in the public meeting using the Zoom application by using the information set forth below. Members of the public may submit email correspondence to [trose1@hazelhawkins.com](mailto:trose1@hazelhawkins.com) up to two (2) hours before the meeting begins. Members of the public may also speak during the meeting through the Zoom application during the public comment time period. Comments are limited to three (3) minutes.

**Phone Number: 1+ (669) 900-6833  
Meeting ID: 935 5051 5610  
Passcode: 135938**

**AGENDA**

Presented By:

- |  |             |
|--|-------------|
| 1. <u>Call to Order/Roll Call</u>  | (Hernandez) |
| 2. <u>Approval of the Agenda</u>   | (Hernandez) |
| A. Motion/Second   |             |
| B. Action/Board Vote-Roll Call   |             |
| 3. <u>Board Announcements</u>  | (Hernandez) |
| None   |             |
| 4. <u>Public Comment</u>   | (Hernandez) |
| This opportunity is provided for members to comment on the closed session topics, not to exceed three (3) minutes. |             |
| 5. <u>Closed Session</u> (pgs. 1 – 3)  | (Hernandez) |
| (See Attached Closed Session Sheet Information)  |             |

6. Reconvene Open Session/Closed Session Report (estimated time 5:45 PM) (Hernandez)
7. 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. 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. Board Members may not deliberate or take action on an item not on the duly posted agenda.
8. Board Resolution (pgs. 4 – 5) (Hernandez)  
 A. DISCUSSION OF RESOLUTION NO. 2022-18 PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR'S STATE OF EMERGENCY DECLARATION ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE PERIOD OCTOBER 31, 2022, THROUGH NOVEMBER 30, 2022.
- Report
  - Board Questions
  - Motion/Second
  - Public Comment
  - Action/Board Vote-Roll Call
9. Consent Agenda - General Business (pgs. 8 – 41) (Hernandez)  
 (A Board Member may pull an item from the Consent Agenda for discussion.)
- A. Minutes of the Regular Meeting of the Board of Directors September 22, 2022
- B. Minutes of the Special Meeting of the Board of Directors September 28, 2022
- C. Minutes of the Special Meeting of the Board of Directors October 14, 2022
- D. Clinical Policies:
- Use of Portable Fans
  - Medication Safety
  - Formulary: Development and Maintenance
  - Formulary: Non-formulary Medications (Prescribing/Ordering and Procuring)
  - Antimicrobial Stewardship
  - Controlled Drugs: Administration
  - Controlled Drugs: Anesthesia
  - Controlled Drugs: Loss and Diversion Processes
  - Controlled Drugs: Controlled Substance Patches
  - Controlled Drugs: Diversion Prevention and Detection
  - Hearing Protection During MRI Exams
  - Radiology No Show Policy
  - Personnel and Visitor Screening

- MRI Screening of Unconscious, Unresponsive, Altered-Level-of-Consciousness Patients
- Oral Contrast for CT Procedures
- Motion/Second
- Public Comment
- Action/Board Vote-Roll Call

10. **Report from the Medical Executive Committee** (pgs. 42 – 48)

(Dr. Bogey)

A. Medical Staff Credentials: October 19, 2022

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

B. Medical Staff Synopsis: October 21, 2022

C. Peer Review Medical Staff Policy

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

11. **Reports from Executive Team** (pgs. 49 – 67)

(Exec. Team)

A. Board Education – Medical Records

B. Comments on Officer/Director Reports (Board Members may comment on the reports listed)

- Chief Clinical Officer/Patient Care Services (Acute Facility)
- Chief Operating Officer/VP Ambulatory Services
- Provider Services & Clinic Operations
- Skilled Nursing Facilities Reports (Mabie Southside/Northside)
- Home Health Care Agency
- Laboratory
- Patient & Community Engagement/Business Development
- Foundation Report
- Quality & Patient Satisfaction Committee

12. **Report from the Finance Committee** (pgs. 68 – 82)

(Robinson)

A. Finance Committee Minutes

Minutes of the Meeting of the Finance Committee, October 20, 2022

B. Finance Report/Financial Statement Review

Review of Financial Report for September 2022

C. Financial Updates

1. Finance Dashboard
2. California Licensed Vocational LVN's Association Agreement

13. **Recommendations for Board Action** (pgs. 83 – 131)

(Robinson)

A. **Contracts:**

1. 890 Sunset Drive Lease Agreement with K&S Market, Inc.

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

2. Interim CEO Agreement \*\*\*

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

B. **Physician Agreements:**

1. Robert MacArthur, M.D. – Professional Services Agreement, Part-Time (Casillas)  
Orthopedic Clinic and Emergency Call Coverage

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

2. Professional Services Agreement for Gastroenterology Coverage:

- A. DOCS Medical Group, Inc.
- B. B. Nicholas Namihas, M.D., Inc.
- C. Prathibha Chandrasekaran, M.D.

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

C. **Capital Leases**

None.

14. **Report from the Facilities Committee** (pgs. 132 – 133)

A. Minutes of the Meeting of the Facilities Committee, October 20, 2022

(Robinson)

15. **New Business** (pgs. 134 – 137)

- A. RESOLUTION NO. 2022-19 APPROVING AND ADOPTING A MEMORANDUM (Hernandez)  
OF UNDERSTANDING WITH THE CALIFORNIA LICENSED VOCATIONAL  
NURSES ASSOCIATION.

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

**B. RESOLUTION NO. 2022-20 APPROVING AND ADOPTING A MEMORANDUM OF UNDERSTANDING WITH THE CALIFORNIA LICENSED LABORATORY SCIENTISTS AND MEDICAL LABORATORY TECHNICIANS.**

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

**C. November and December Board of Directors Meetings (Currently Scheduled for November 17, 2022 and December 22, 2022)**

- Discussion
- Motion/Second
- Public Comment
- Action/Board Vote-Roll Call

**16. Upcoming Events**

**17. Adjournment**

The next Regular Meeting of the Board of Directors is scheduled for **Thursday, November 17, 2022**, at 5:00 p.m., and will be held in person and by video conference in order to reduce the risk of spreading COVID-19.

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

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.

**\*\*\* To be distributed at or before the Board meeting**

**SAN BENITO HEALTH CARE DISTRICT BOARD OF DIRECTORS  
OCTOBER 27, 2022**

**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)

**Property:** (Specify street address, or if no street address, the parcel number, or other unique reference, of the real property under negotiation): \_\_\_\_\_

**Agency negotiator:** (Specify names of negotiators attending the closed session):\_\_

**Negotiating parties:** (Specify name of party (not agent):\_\_\_\_\_

**Under negotiation:** (Specify whether instruction to negotiator will concern price, terms of payment, or both):  
\_\_\_\_\_

**[ ] 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):  
\_\_\_\_\_, or

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

**[ X ] CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**  
(Government Code §54956.9)

Significant exposure to litigation pursuant to Section 54956.9(d)(2) or (3) (Number of potential cases): \_\_\_\_

Additional information required pursuant to Section 54956.9(e):\_\_\_\_\_

Initiation of litigation pursuant to Section 54956.9(d)(4) (Number of potential cases): 1.

**[ ] 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:** (Specify description of the position to be filled):

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

**Title:** (Specify description of the position to be filled): Interim Chief Executive Officer

**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:** Mark Robinson

**Employee organization:** California Licensed Vocational Nurses Association and Clinical Laboratory Scientists and Medical Laboratory Technicians.

**Unrepresented employee:** (Specify position title of unrepresented employee who is the subject of the negotiations):

**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): unknown

[ ] **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**



**RESOLUTION NO. 2022-18  
OF THE BOARD OF DIRECTORS OF  
SAN BENITO HEALTH CARE DISTRICT**

**PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A  
STATE OF EMERGENCY BY GOVERNOR'S STATE OF EMERGENCY DECLARATION  
ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS  
FOR THE PERIOD OCTOBER 31, 2022 THROUGH NOVEMBER 30, 2022**

WHEREAS, San Benito Health Care District ("District") is a public entity and local health care district organized and operated pursuant to Division 23 of the California Health and Safety Code;

WHEREAS, the District Board of Directors is committed to preserving and nurturing public access and participation in its meetings;

WHEREAS, all meetings of the District's governing body are open and public, as required by The Ralph M. Brown Act, so that members of the public may attend, participate, and observe the District's public meetings;

WHEREAS, The Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions;

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558;

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the boundaries of the District, caused by natural, technological, or human-caused disasters;

WHEREAS, it is further required that (i) state or local officials have imposed or recommended measures to promote social distancing, or (ii) the legislative body meeting in person would present imminent risks to the health and safety of attendees;

WHEREAS, such conditions now exist within the District Boundaries of San Benito Health Care District;

WHEREAS, the District Board of Directors does hereby acknowledge the current state of emergency and is following the September 30, 2021 Recommendations on Social Distancing and Hybrid Meetings issued by San Benito County Health and Human Services Agency recommending that public agencies continue to utilize remote meetings for the purpose of preventing the transmission of COVID-19;

WHEREAS, as a consequence of the local emergency, the District Board of Directors may conduct meetings without compliance with Government Code Section 54953(b)(3), as authorized by Section 54953(e), and that the District shall comply with the requirements to provide the public with access to the meetings pursuant to Section 54953(e) (2);

WHEREAS, meetings of the District Board of Directors will be available to the public via the zoom application listed on the agenda;

NOW THEREFORE IT IS HEREBY ORDERED AND DIRECTED THAT:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.
2. Proclamation of Local Emergency. The District hereby proclaims that a local emergency continues to exist throughout San Benito County, and as of September 30, 2021, the San Benito County Health Department continues to recommend that physical and social distancing strategies be practiced in San Benito County, which includes remote meetings of legislative bodies, to the extent possible.
3. Ratification of Governor's Proclamation of a State of Emergency. The District hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.
4. Remote Teleconference Meetings. The District Board of Directors is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of The Brown Act.
5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) November 30, 2022, or such time the District adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the District may continue to meet via teleconference meeting all the requirements of Section (3)(b).

This Resolution was adopted at a duly noticed Regular Meeting of the Board of Directors of the District on October 27, 2022, by the following vote.

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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Board Member  
San Benito Health Care District

**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 Video Conference**

**THURSDAY, SEPTEMBER 22, 2022  
MINUTES**

**HAZEL HAWKINS MEMORIAL HOSPITAL**

**Directors Present**

Jeri Hernandez, Board Member  
Bill Johnson, Board Member  
Don Winn, Board Member  
Josie Sanchez, Board Member  
Rick Shelton, Board Member

**Also, Present In-person/Video Conference**

Steven Hannah, Chief Executive Officer  
Mark Robinson, Chief Financial Officer (Absent)  
Barbara Vogelsang, Chief Clinical Officer (Absent)  
Mary Casillas, Chief Operating Officer/VP of Ambulatory Services  
Laura Garcia, Executive Assistant  
Dr. Bogey, Chief of Staff  
Heidi A. Quinn, District Legal Counsel  
Sherrie Bakke, Patient & Community Engagement/Business Development

Pursuant to Executive Order N-25-20 issued by the Governor of the State of California in response to concerns regarding COVID-19, Board Members of San Benito Health Care District, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

1. **Call to Order**

Attendance was taken by roll call, all Directors present, and the meeting was called to order at 5:00 p.m. by Board President, Jeri Hernandez.

2. **Approval of Agenda**

**MOTION:** By Director Shelton to approve the agenda; Second by Director Sanchez.

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

3. **Board Announcements**

No announcements to report.

4. **Public Comment**

No public comment.

5. **Closed Session**

The Board of Directors went into a closed session at 5:08 pm to discuss three items: Conference with Legal Counsel-Anticipated Litigation, Government Code §54956.9, Report Involving Trade Secret, Government Code §37606 Health & Safety Code §32106, and Hearing Reports, Government Code §37264.3 & Health and Safety Code §1461,32155.

6. **Reconvene Open Session/Closed Session Report**

The Board of Directors reconvened into Open Session at 5:48 pm. District Counsel, Quinn reported that in Closed Session the Board discussed three items: Conference with Legal Counsel-Anticipated Litigation, Report Involving Trade Secret, and Hearing Reports. As to all items, a status report was provided, the direction was given and no more reportable action was taken.

7. **Public Comment**

No public comment was received.

8. **Board Resolution No. 2022-16**

**Item: Proposed Approval for RESOLUTION NO. 2022-16 OF THE BOARD OF DIRECTORS OF SAN BENITO HEALTH CARE DISTRICT PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY THE GOVERNOR'S STATE OF EMERGENCY DECLARATION ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE PERIOD, SEPTEMBER 30, 2022 THROUGH OCTOBER 31, 2022.**

**MOTION:** By Director Hernandez to approve Resolution No. 2022-16 Proclaiming a local emergency; Second by Director Sanchez.

No public comment.

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

**Resolution 2022-17**

**Item: Proposed Approval for RESOLUTION NO. 2022-17 CHFFA BRIDGE LOAN PROGRAM PROMISSORY NOTE.**

**MOTION:** By Director Shelton to approve RESOLUTION NO. 2022-17 CHFFA BRIDGE LOAN PROGRAM PROMISSORY NOTE; Second by Director Winn.

No public comment.

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

**Consent Agenda-General Business**

Director Hernandez presented the Consent Agenda and requested a motion to approve.

A. Minutes of the Regular Meeting of the Board of Directors, August 25, 2022.

**MOTION:** By Director Sanchez to approve the Consent Agenda as presented; Second by Director Hernandez.

No public comment.

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

9. **Report from the Medical Executive Committee**

- A. **Credentials Report**: Chief of Staff, Dr. Bogey presented the Credentials Report from September 21, 2022.

Item: **Proposed Approval of the Credentials Report; forty (40) New Appointments, three (3) Reappointments, two (2) Allied Health – New Appointments, two (2) AHP – Reappointments, and two (2) Resignation.**

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

No public comment.

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

- B. **Medical Staff Synopsis**: Dr. Bogey, Chief of Staff, provided a summary of the Medical Executive Committee Report.

A full written report can be found in the Board packet.

10. **President/Chief Executive Officer**

- A. **Board Education**: Bernadette Enderez, Director of Diagnostic Imaging provided a report on outpatient services and workflow of the department. A full report can be found in the Board packet.

- B. **Comments on Officer/Directors Reports**: Mr. Hannah provided highlights on the following reports.

- Chief Clinical Officer
- Chief Operating Officer
- Patient & Community Engagement/Business Development

C. **CEO Report**:

An update of the Administrative Dashboard was provided by Ms. Bakke and Mr. Robinson. Mr. Hannah also provided an update on the census and staff out due to COVID-19.

A full written report can be found in the Board packet for CEO Report.

11. **Report from the Finance Committee**

- A. **Finance Committee Minutes**

Minutes of the meeting of the Finance Committee, from August 19, 2022, have been provided to the Board of Directors.

- B. **Financial Report/Financial Statement Review**

1. Finance Statements – August 2022
2. Finance Dashboard

12. **Recommendation for Board Action**

- A. **Contracts**:

None.

- B. **Physician Agreements**

None.

- C. **Capital Leases**

None.

10

13. **Report from District Facilities & Service Development Committee**

A. Minutes of the meeting of the Facilities Committee, from September 19, 2022, have been provided to the Board of Directors.

A full report can be found in the Board packet.

14. **New Business:**

No new business to report.

15. **Upcoming Events:**

A. A softball tournament will be held Saturday, October 22<sup>nd</sup> at Rancho San Justo Middle School from 5:00 pm – 9:00 pm.

17. **Adjournment:**

There being no further regular business or actions, the meeting was adjourned at 6:26 p.m.

The next Regular Meeting of the Board of Directors is scheduled for **Thursday, October 27, 2022**, at 5:00 p.m., and will be conducted in person and via teleconference to reduce the risk of spreading COVID-19, and pursuant to SBHCD Board Resolution No. 2022-05.

11

**SPECIAL MEETING OF THE BOARD OF DIRECTORS  
SAN BENITO HEALTH CARE DISTRICT  
IN-PERSON AND BY VIDEO CONFERENCE**

**SEPTEMBER 28, 2022  
CLOSED SESSION MINUTES**

**Present:**

Jeri Hernandez, President  
Bill Johnson, Vice President  
Rick Shelton, Treasurer  
Don Winn, Secretary  
Josie Sanchez, Assistant Secretary

1. **Call to Order**  
Attendance was taken by roll call with all Directors present. The meeting was called to order by Director Hernandez at 12:32 PM.
2. **Public Comment**  
No public comment.
3. **Closed Session**  
The Board of Directors went into a closed session at 12:32 PM to discuss the Chief Executive Officer Self Performance Evaluation.
4. **Reconvene Open Session/Closed Session Report**  
The Board of Directors reconvened to open session at 2:16 PM with no reportable action.
5. **Adjournment**  
There being no further business, the meeting was adjourned at 2:16 PM.

**SPECIAL MEETING OF THE BOARD OF DIRECTORS  
SAN BENITO HEALTH CARE DISTRICT  
IN-PERSON AND BY VIDEO CONFERENCE**

**OCTOBER 14, 2022  
CLOSED SESSION MINUTES**

**Present:**

Jeri Hernandez, President  
Bill Johnson, Vice President  
Rick Shelton, Treasurer  
Don Winn, Secretary  
Josie Sanchez, Assistant Secretary  
Heidi A. Quinn, District Legal Counsel

Pursuant to Executive Order N-25-20 issued by the Governor of the State of California in response to concerns regarding COVID-19, Board Members of San Benito Health Care District, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

1. **Call to Order**

Attendance was taken by roll call with all Directors present. The meeting was called to order by Director Hernandez at 10:30 a.m.

2. **Public Comment**

No public comment.

3. **Closed Session**

The Board of Directors went into a closed session at 10:33 a.m. to discuss Public Employee Discipline/Dismissal/Release, Government Code §54957.6.

4. **Reconvene Open Session/Closed Session Report**

The Board of Directors reconvened to open session at 11:22 a.m. Board President, Jeri Hernandez, reported that in Closed Session the Board discussed Public Employee Discipline/Dismissal/Release.

**MOTION:** The Board of Directors made a motion to terminate the contract with Mr. Hannah as Chief Executive Officer of Hazel Hawkins Memorial Hospital effective immediately.

No public comment.

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

5. **Adjournment**

There being no further business, the meeting was adjourned at 11:25 a.m.



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## Policy : Use of Portable Fans

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### PURPOSE

The following protocol will be followed to ensure that portable fans used in patient care areas do not cause an infection control risk.

### SCOPE

All patient care departments that utilize portable fans.

### POLICY STATEMENT

Portable fans are currently used in some areas of the hospital and skilled nursing facility to assist in patient comfort. Portable fans have the potential to disperse dust and airborne-transmitted microorganisms, create airborne *C. Difficile* spores, and alter airflow patterns. Patient care staff and environmental services will follow the below protocol when using portable fans in patient care areas to ensure that we have taken steps to minimize the risk of spreading infections.

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### PROCEDURE

#### When NOT to use portable fans:

1. Portable fans are prohibited in Airborne Isolation rooms or any other room that has positive or negative pressure differentials between the room and external spaces that may disrupt the designed air flow patterns.
2. Do not use fans for patients who have been placed on Contact, Contact Plus, or Droplet precautions, due to the risk of microorganism dispersal. If avoiding fans is not possible in these circumstances, close the door of the room or pull the curtain.
3. Do not use fans in high risk areas where immunocompromised patients receive care. Immunocompromised refers to patients with congenital or acquired immunodeficiency or immunodeficiency due to therapeutic agents or hematologic malignancies.
4. Do not use fans in areas where sterile supplies are stored.

#### Proper placement of fans:

1. If fans are approved for use, use only facility owned fans:
  - a. Ensure airflow is into patient's bed space and not across patient to roommate or hallway. If the patient is in a room with two beds, ensure that the privacy curtain is pulled to prevent air from blowing from one patient toward the other.
  - b. Position the fan at the patient's bed level or higher. Placement of table fans on floors is not acceptable; fans must be positioned such that airflow is level with the surface of the bed (i.e., place table fans on a surface at bed level; telescoped floor fans may be acceptable if this can be accomplished).
2. Once patient has been discharged, fan will be cleaned during terminal cleaning of the patient room
  - a. Thoroughly clean and disinfect fan according to manufacturer's recommendations.
3. Before using a fan outside of a patient's room, approval must be obtained by infection control.

### REFERENCES

Bartley, J. and Olmsted, R., Construction and Renovation: A Toolkit for Professionals in Infection Prevention and Control. 3rd Ed. Association for Professionals in Infection Control and Epidemiology (APIC) (2007): pp 324-326.

Best, E., et al., The Potential for Airborne Dispersal of *Clostridium difficile* from symptomatic patients. *Clinical Infectious Diseases* (2010); 50 (11): 1450-1457.



## Policy : 04-03 Medication Safety

### PURPOSE

Performance Improvement

### DEFINITIONS

None

### POLICY

Medical Staff, Nursing Service, Pharmacy, Performance Improvement, Risk Management, administrative staff, and other departments, services and individuals will participate and collaborate in medication safety activities. The medication safety initiative incorporates prevailing standards of practice, regulatory requirements and accreditation standards that address the selection and procurement, storage, ordering and transcribing, preparing and dispensing, administration, and monitoring processes of medication use.

### FOCUS OF MEDICATION SAFETY ACTIVITIES

The Pharmacy Department, in collaboration with the Medical Staff and various departments throughout the organization will gather information, review the finding, identify problems to resolve or processes to improve, and work within the framework of the organization-wide performance improvement program to improve medication use processes.

Medication safety activities will focus on the following processes. Emphasis will be on the effective, appropriate, and safe use of medications.

- Selection and procurement of medications (e.g. proactively assessing potential risks)
- Storage of medications (e.g. ensuring their integrity and security)
- Ordering and transcribing medications (e.g. improving the clarity of medication orders and preventing duplicate medication therapy, adjusting dosing and routes of administration to provide optimal patient outcomes and reduce adverse events)
- Preparing and dispensing medications (e.g. reducing dispensing errors and ensuring timely delivery of medications)
- Medication administration (e.g. reducing medication administration errors and improving medication administration techniques)
- Monitoring the effects of medications on patients (e.g. improving the detecting, reporting and assessing of adverse medication reactions, medication variances, and less than optimal patient outcomes)

### PRIORITIES

Specific medications may be targeted for medication safety activities. Activities will focus on medications that are:

- Frequently prescribed
- Known or suspected of presenting a significant risk to patients
- Known or suspected to be problem-prone
- A critical component of care provided for a specific diagnosis, condition or procedure

### SELECTION AND PROCUREMENT

The Pharmacy Department will work collaboratively with the Medical Staff, Nursing, and Risk Management to assure safety during the selection and procurement, of medications.

- The Pharmacy & Therapeutics Committee will assure that the Formulary evaluation process utilizes a defined medication evaluation process that includes investigating the potential for medication errors through the literature. The includes review of packaging, sound alike names, and Failure Modes and Effects Analysis.

- The Pharmacy will formulate policies that address safety with the use of hazardous and other high-alert agents. These policies will address dose limits, concentration, and administration.
- No medication samples are allowed in inpatient hospital areas. All hospital owned ambulatory practice sites will maintain medication samples under strict guidelines that meet regulatory requirements.
- The Pharmacy Department will assure that antidotes and critical stock items are clearly marked and par levels established.

## STORAGE

The pharmacy will be responsible for all medication storage areas within the facility. Processes that contribute to safe storage include:

- The Pharmacy will assess each medication storage area monthly.
- The Pharmacy will, in conjunction with department managers, establish safe and secure storage for all medications in that area. Par levels will be determined.
- The Pharmacy and Therapeutics Committee will review and approve all medication storage areas and stocks.
- The Pharmacy and Therapeutics Committee will review and approve a list of medications available for after-hours access.

## ORDERING AND TRANSCRIBING

The pharmacy will monitor and recommend practices that assure safety during medication ordering. Processes that contribute to safe prescribing and ordering include:

- Current patient medication history – a patient's medication history should be updated at each encounter. Medications listed should include prescription, over the counter, and herbal preparations.
- Prescriber order entry system – Computerized prescriber order entry systems will be implemented when technically and financially feasible in light of existing resources and technological development.
- All medication orders must be written using the metric system or where appropriate, biologic units will be used.
- All medication orders will use leading zeros where quantities less than one are ordered. Lack of a zero may lead to a ten-fold overdose of the medication.
- Trailing zeros are never used with medication orders. Addition of a zero may lead to a ten-fold overdose of the medication.
- The use of abbreviations in medication orders will be minimized. Abbreviations, acronyms and dose expressions prohibited by hospital policy will not be used.
- All medication orders should have a medication name, dosage, route of administration, dosage form and frequency to assure that prescribers' intent is clearly understood.
- There will be a formal process for the review and approval of standing orders.
- Whenever possible, generic medication names will be used. Brand name should only be used for clarification.
- The use of verbal / telephone orders is minimized. When necessary, verbal / telephone orders are received by an authorized professional within their scope of practice, immediately reduced to writing, and read back to the prescriber to clarify. Verbal / telephone orders for chemotherapy are not permitted, except in cases to clarify the prescriber's original order.

## PREPARING AND DISPENSING MEDICATIONS

The pharmacy will monitor the preparation and dispensing of medications in all patient care areas. Basic safety processes in the preparation and dispensing of medications will address:

- Basic patient demographic information must accompany all orders. Patient name, identification number, room number/location, gender, birth date and attending physician are required for patient safety. Only a direct copy or facsimile orders will be honored.
- Allergies must be entered on the pharmacy profile before any medication orders are processed and dispensed; the only exception is in case of life-threatening emergency.
- Order entry systems will utilize pharmaceutical software that validates drug-drug, drug-allergy, drug-disease state, and dosage checks.
- The pharmacy department will be responsible for developing processes that control the security and storage of

medications throughout the institution.

- Policies and Procedures defining Automated Dispensing Cabinet usage will follow current standards of practice, regulatory guidelines, and safety initiatives set forth by professional societies.
- The pharmacy department will employ a double check process with high-alert medications.
- The storage of concentrated electrolyte solutions will be limited to the Pharmacy Department.
- Oral syringes used within the facility cannot be connected to IV tubing.
- The Pharmacy & Therapeutics Committee will approve all floorstock medications
- Standardized solution concentrations (standardized drips) will be used where appropriate and pre-printed drip chart labels used for high alert medications.
- The Pharmacy will dispense medications in as ready to use form as possible, utilizing unit of use packaging whenever feasible.

## **MEDICATION ADMINISTRATION**

In collaboration with Pharmacy, Nursing and other departments will monitor and document the entire medication administration process. Safety initiatives include:

- The Medication Administration Record (MAR) will have patient allergies, height, weight, and body surface area (BSA) listed on all printed / hand written pages.
- All routine medication administration times will be standardized. Deviation from this standard schedule will only be done upon written prescriber order. When medications are started before the next routine scheduled time, a process to assure that subsequent doses are given safely will be defined.
- Medication reference materials are available in the pharmacy and patient care areas and are updated routinely (at least annually).
- The hospital will standardize medication administration devices wherever feasible.

## **MONITORING THE EFFECTS OF MEDICATIONS (PATIENT MEDICATION MONITORING)**

The Pharmacy will collaborate with the Medical Staff, Nursing, Quality Improvement and Risk Management to monitor the effects of medications. Emphasis will focus on high volume, high risk, problem prone, and critical component areas of medication use.

- Medication Use Evaluations will review usage patterns of selected medications as identified by Pharmacy, Nursing, Medical Staff, Quality Monitoring, or Risk Management. Results of MUEs will be presented to the Medical Staff for input and recommendations.
- The Pharmacy Department will participate in all committees that make decisions concerning medication use.
- The Pharmacy Department will develop, implement, and monitor an Adverse Drug Event (ADE) Reporting Program. ADEs will be analyzed for preventability and system process changes will be recommended based on the analysis.
- A Medication Variance Reporting Program will be developed, implemented and monitored by Pharmacy and Nursing. The emphasis of this program shall include a non-punitive, systems-oriented approach to medication variance reporting and analysis. Medication errors will be approached as systems failures and process changes will be implemented as necessary.
- A Sentinel Events Analysis process will be defined. Adverse Drug Events that exceed a pre-defined severity level will be analyzed through this process.
- Patient teaching can improve knowledge of medication and usage. Patient education programs will be developed to address improving patient and family understanding of the role of medications, potential side effects, and problems.
- When economically feasible based on existing resources, a pharmacist will be located in patient care areas.

## **ACTIONS TO IMPROVE MEDICATION SAFETY**

The hospital will systematically improve its medication use processes to incorporate principles of Medication Safety. Actions to improve medication use include, but are not limited to, the following:

- Evaluating medication management systems for risk points and identify areas to improve safety
- Evaluating literature and other external data for new technologies or successful practices that have been demonstrated to enhance safety in other organizations to determine improvements that can be implemented

- Revising system processes
- Providing educational programs for medical, nursing, professional staffs and patients.
- Informing facility staff through newsletters, memoranda, and continuing education programs
- Developing, revising, and approving policies and procedures
- Establishing formulary and prescribing restrictions
- Developing standardized medication therapy protocols
- Implementing therapeutic substitution policies
- Requiring special order forms for selected medications

## **ASSESSMENT, DOCUMENTATION, AND REPORTS**

Assessment, documentation, and reports of medication use improvement activities will include, as appropriate:

- Findings (e.g., data, variances, and unjustified variances)
- Conclusions (e.g., problems identified, opportunities to improve medication use, causes of problems, and usage patterns and trends)
- Recommendations (e.g., proposed actions and what should be done)
- Action taken (e.g., what has been done to date)
- Effectiveness or results of action taken (e.g., problems resolved and improvements in medication use)

## **EVALUATION**

Evaluation of the medication management system will include:

- Monitoring risk points and identifying areas to improve safety
- Evaluation of the literature and successful practices that can apply in this facility
- Evaluation of internally-generated reports to identify trends or issues of concern
- Evaluation of external data to identify successful practices that have been demonstrated to improve safety



## Policy : 08-02 Formulary: Development and Maintenance

### PURPOSE

Medication Management – Selection/Procurement

### DEFINITIONS

1. **Formulary Drug:** A drug approved by the committee for inclusion on the hospital formulary. Formulary drugs are generally available for routine use.
2. **Restricted Drug:** A drug approved by the committee for inclusion on the hospital formulary, however, prescribing of this drug will be limited in scope (i.e., to a particular physician or medical service)
3. **Non-formulary Drug:** Any drug which has not been reviewed by the committee or has been reviewed and denied inclusion on the formulary. Non-formulary drugs may be ordered for individual patients when sound pharmacologic and/or therapeutic considerations so dictate and no other alternative drugs are acceptable. The prescriber shall obtain written authorization for use by the chief of pharmacy and therapeutics committee.

### POLICY

The medical staff, pharmacy, nursing service, administration, and other appropriate staff, shall develop and maintain a formulary system to assure the availability of quality pharmaceuticals at reasonable costs. The formulary shall include a list of legend and non-legend medications accepted for use by the medical staff and available for prescribing and ordering.

### COPIES OF THE FORMULARY

A copy of the formulary shall be kept in the pharmacy or available electronically. Other copies shall be readily available to the professional staff that uses it. The listing will include the medication, strength, and dosage.

### CRITERIA FOR SELECTING MEDICATIONS

Medications included in the formulary shall be selected on the basis of:

- Need in relation to the diseases and conditions treated by the facility and the patient populations served.
- Effectiveness, including:
  - Efficacy (alone and in comparison to other products)
  - Toxicity (alone and in comparison to other products)
  - Pharmacokinetic properties
  - Bioequivalence (if applicable)
  - Pharmaceutical equivalence (if applicable)
  - Therapeutic equivalence (if applicable)
- Safety, including:
  - Known incidence of adverse reactions and sentinel events
  - Potential for error in prescribing or ordering, preparation, dispensing and administration of medications
  - Abuse potential
  - Sentinel event advisories
  - Black Box and other warnings (such as the FDA MedWatch Drug Safety-Related Labeling Changes), including the ability to monitor patient response
  - Availability in ready-to-administer dosage forms
  - Limiting the number of drug concentrations

- Acquisition costs and cost impact on the facility. (However, medications shall be selected primarily on the basis of patient need and safety – not solely on costs and economics).

The P&T Committee shall approve indications for use for each medication. Unless specified otherwise by the P&T Committee, all FDA-approved indications are acceptable for use.

## **ADDITIONS AND DELETIONS TO THE FORMULARY**

Any prescriber may propose additions or deletions to the formulary. Nonformulary medications requests shall be reviewed for possible additions to the formulary. The medical staff shall be informed of formulary additions deletions, and changes.

## **REVIEW OF REQUESTS FOR ADDITIONS TO THE FORMULARY**

The medical staff and, as appropriate, others who are involved in developing and maintaining the formulary shall review requests for formulary additions. The pharmacy department shall present information on new medications to assist in the review of requests for formulary additions.

## **MEDICATIONS DISCONTINUED BY THE MANUFACTURER**

Medications that have been discontinued by the manufacturer (but not recalled) may be stocked, dispensed, and administered until the supply is exhausted.

The medical staff shall be informed when the discontinued medication is no longer available for dispensing. The Director of Pharmacy shall determine if the discontinued medication is to be replaced with an equivalent product.

## **REVIEW AND REVISION OF THE FORMULARY**

The Director of Pharmacy shall maintain the formulary as a current document. The Director shall review the formulary routinely (at least annually) and update it as necessary. The medical staff shall document its review and acceptance of the updated formulary annually, including the approved drugs, indications for use, and any restrictions.

## **NON-PROPRIETARY (GENERIC) EQUIVALENT MEDICATIONS**

Generic equivalent medications are those that contain the same active ingredients as their proprietary (brand name) counterparts and are identical in strength and concentration, dosage form, and route of administration.

## **QUALITY OF GENERIC EQUIVALENTS**

Generic equivalents shall meet all requirements of the pharmacy's policy on Specification for Drugs, Chemicals, and Biologicals.

## **BIOSIMILAR AGENTS**

Biosimilar agents will be provided per policy 08-26 MM Selection - Biosimilars

## **PERMISSION TO DISPENSE A PROPRIETARY OR NONPROPRIETARY (GENERIC) EQUIVALENT MEDICATION**

Unless otherwise provided by medical staff bylaws, rules and regulations, or by legal requirements, the pharmacy may dispense a proprietary or nonproprietary (generic) equivalent of the medication prescribed.

## **THERAPEUTIC EQUIVALENT MEDICATIONS**

Therapeutic equivalent medications are those that can be expected to have the same therapeutic effect and have been approved by the medical staff to use interchangeably.

## **PERMISSION TO DISPENSE A THERAPEUTIC EQUIVALENT MEDICATION**

Unless otherwise provide by medical staff bylaws, rules, and regulations, or by legal requirements, the pharmacy may dispense a therapeutic equivalent of the medication prescribed as approved by the P&T Committee.

**Hazel Hawkins Memorial Hospital**

**FORMULARY**

The medical staff has reviewed the medications in this formulary and has accepted their use in this facility. Practitioners shall use formulary medications when possible.

The inclusion of a medication in the formulary indicates acceptance of the basic medication. The pharmacy may vary the listed dosage forms, medication strengths, and package sizes to meet the needs of the facility. In addition, when a brand medication is listed, the pharmacy may stock another brand or a generic equivalent and, unless specifically prohibited by prescriber or by medical staff rules and regulations, dispense another brand or generic equivalent.

A practitioner may prescribe medications that are not listed in the formulary unless the medical staff has specifically excluded their use in this facility. Furthermore, the pharmacy may stock and dispense new medications and other non-listed medications pending their acceptance by the medical staff provided that the Medical Staff's policy governing the review of non-formulary agents has been followed.

If a practitioner orders medications that are not in the formulary, a pharmacist will follow the P&T Committee policy, such as contacting the prescriber, dispensing an approved therapeutic equivalent, or other defined process. If after discussion with the prescriber, a non-formulary medication is still required but is unobtainable or the procurement will be delayed, the pharmacy shall notify the practitioner and nursing service.

The Director of Pharmacy or any practitioner may propose formulary additions and deletions. The medical staff, through its pharmacy and therapeutics function, shall review candidates for addition and deletion as well as proposed changes in the formulary or the formulary system.

Unless otherwise directed, deleted medications and medications that have been discontinued by the manufacturer may be stocked until returns have been made or the supply is exhausted.

The Director of Pharmacy shall maintain the formulary and update it at least quarterly. A new edition shall be prepared at least annually.

\_\_\_\_\_  
For the Department of Pharmacy

Date

\_\_\_\_\_  
For the Medical Staff

Date



**FORMULARY DRUG REQUEST FORM**

**Medical Staff may ask to have a product reviewed by P&T Committee by submitting this form to the Director of Pharmacy.**

**Name of Physician requesting review** \_\_\_\_\_ **Date** \_\_\_\_\_

**Generic and Trade name of drug** \_\_\_\_\_

**Dosage form** \_\_\_\_\_ **Strength** \_\_\_\_\_

**Explanation of use or need** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**What product(s) does this replace?** \_\_\_\_\_

**How is this drug superior to similar agents?** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Do you want the Hospital to obtain a limited supply of this drug now for one of your patients?**

Yes \_\_\_\_\_ No \_\_\_\_\_

**Name of patient** \_\_\_\_\_

**Reason for prescribing** \_\_\_\_\_

**Signature/Date of person requesting review** \_\_\_\_\_

## Policy : 08-03 Formulary: Non-formulary Medications (Prescribing/Ordering & Procuring)

### PURPOSE

Medication Management – Selection/Procurement

### DEFINITIONS

None

### POLICY

Nonformulary medications include those agents that have not been accepted as formulary agents and formulary agents which are used for non-approved indications.

Nonformulary medications shall be used only after the prescriber has determined that a formulary medication is not appropriate. A prescriber shall NOT use medications that the medical staff has specifically prohibited from use in this facility or is outside the scope of service for the facility.

### REVIEW BY A PHARMACIST

A pharmacist shall review requests for nonformulary medications. If the pharmacist believes that there is an appropriate alternative medication on the formulary, the pharmacist shall inform the prescriber. A request for a nonformulary medication does not constitute a request for addition of the medication to the formulary.

The pharmacist in charge, or designee, may authorize the use of a non-formulary agent if a Formulary Addition Request has been completed or a pharmacist has consulted with the ordering physician and determined that available formulary agents cannot be used.

### ORDERS FOR NONFORMULARY MEDICATIONS

If a prescriber orders medications that are not listed in the formulary, the pharmacy shall review formulary alternatives with the prescriber. If no acceptable substitution is appropriate, the pharmacy will comply with the Pharmacy and Therapeutics policy governing review of non-formulary agents prior to patients' use.

### STOCKING OF NONFORMULARY MEDICATIONS PENDING REVIEW AND ACCEPTANCE

Nonformulary medications (including new medications and medications that have been obtained pursuant to a nonformulary request) may be stocked by the pharmacy pending their review and acceptance by the medical staff.

### JUSTIFICATION FOR PROCURING NONFORMULARY MEDICATIONS

If an alternative medication is not acceptable to the prescriber, the pharmacy shall obtain the nonformulary medication from another hospital, community pharmacy, or other approved source.

### AMOUNT TO OBTAIN

The pharmacy shall obtain an amount of the medication sufficient to meet the anticipated needs of the patient for whom it is ordered. If the nonformulary medication cannot be obtained within a reasonable period [e.g., twenty-four hours (or less if the need is urgent)], the pharmacy shall notify the prescriber and nursing service.

### FORMULARY REVIEW

Non-formulary use will be compiled and presented at the next Pharmacy and Therapeutics Committee meeting for potential addition to formulary.

## Policy : 14-09 Antimicrobial Stewardship

### PURPOSE

Medication Management – Monitoring

### DEFINITIONS

*Antimicrobial Stewardship* is a coordinated program that ensures the optimal selection, dose, and duration of an antimicrobial therapy that leads to the best clinical outcome for the treatment or prevention of an infection while producing the fewest toxic effects and the lowest risk for subsequent resistance.

The *Antimicrobial Stewardship Program* is coordinated through the Infection Control Committee which is a multi-disciplinary workgroup that reports through Pharmacy and Therapeutics and is charged with the responsibility of promoting optimal antimicrobial utilization.

### POLICY

The purpose of this policy is to ensure the proper and safe use of antimicrobials throughout the facility.

#### Purpose:

The purpose of antimicrobial stewardship is to promote the appropriate use of antimicrobials by selecting the appropriate agent, dose, duration and route of administration in order to improve patient outcomes, while minimizing toxicity and the emergence of antimicrobial resistance. The purpose of the antimicrobial stewardship program is to improve antimicrobial stewardship practices at Hazel Hawkins Memorial Hospital and to monitor outcomes and antimicrobial use (consumption). This policy addresses SB 739 and SB 1311 Health and Safety Code Section 1288.85.

#### Definitions:

Antimicrobial Stewardship is a coordinated program that ensures the optimal selection, dose, and duration of an antimicrobial therapy that leads to the best clinical outcome for the treatment or prevention of an infection while producing the fewest toxic effects and the lowest risk for subsequent resistance.

The Antimicrobial Stewardship Program is coordinated through the Infection Control Committee which is a multi-disciplinary workgroup that reports through Pharmacy and Therapeutics and is charged with the responsibility of promoting optimal antimicrobial utilization.

#### Policy:

The goal of Antimicrobial Stewardship is to improve appropriate antimicrobial utilization in order to improve patient outcomes, minimize toxicity and the emergence of antimicrobial resistance. The goal of the Antimicrobial Stewardship Program is to promote optimal antimicrobial utilization at Hazel Hawkins Memorial Hospital and to track antimicrobial stewardship outcomes. In order to assure appropriate and quality utilization of antimicrobial agents, an Antimicrobial Stewardship Committee has been developed and consists of the following:

- Designated administrative or leadership champion
- Designated antibiotic stewardship program leader
- Designated physician leader
- Designated pharmacist leader
- Microbiology personnel for collaboration
- Infection prevention and control personnel for collaboration
- Informational Technology support as needed

The objective of the Antimicrobial Stewardship Program will be to improve patient outcomes through optimization of antimicrobial therapy by selection of appropriate antibiotic dose, route and duration of treatment.

Potential benefits include the following:

- Improve patient safety by decreasing side effects and toxicity
- Support the education of all healthcare providers, patients and families about antimicrobial stewardship practices including; antimicrobial resistance and appropriate antimicrobial use
- Minimize the development of antimicrobial resistance by appropriately selecting antibiotics
- Reduce the rates of hospital-acquired infections
- Control of Clostridium difficile infections and the emergence of multidrug-resistant organisms
- Reduce length of stay and patient-associated hospitalization cost
- Reduce pharmacy expenditures on antimicrobials

Procedure:

Antimicrobial stewardship will be performed as an ongoing practice involving several disciplines throughout Hazel Hawkins Memorial Hospital. The Antimicrobial Stewardship Committee will develop strategies and initiatives to promote appropriate antimicrobial use.

1. The antimicrobial stewardship program will be responsible for the following:
  1. Compliance with The Joint Commission Standards and Centers for Medicare and Medicaid Conditions of Participation related to Antimicrobial Stewardship
  2. Coordination among all components of the hospital responsible for antibiotic use and resistance, including, but not limited to, the infection prevention and control program, the quality assessment and performance improvement program, the medical staff, nursing services, and pharmacy services
  3. Documentation of the evidence-based use of antibiotics in all departments and services of the hospital
  4. Demonstration of improvements, including sustained improvements, in proper antibiotics use, such as through reductions in C. difficile infection and antibiotic resistance in all departments and services of the hospital
  5. Adherence to nationally recognized guidelines, as well as best practices, for improving antibiotic use
  6. Reflection of the scope and complexity of the hospital services provided
  7. Development or revision of existing policies, procedures, protocols and guidelines related to infectious diseases (e.g., restricted antimicrobials, treatment guidelines based on local susceptibilities)
  8. Development and distribution of an antibiogram at least annually as well as assessing trends of antimicrobial resistance within the facility
  9. Providing recommendations to the Pharmacy and Therapeutics Committee about antimicrobial selection, dose, and duration of therapy
  10. Providing ongoing healthcare practitioner education (e.g., newsletters, in-services, and one-on-one interaction) regarding antimicrobial stewardship initiatives
  11. Educating patients, and their families as needed, regarding the appropriate use of antimicrobial medications, including antibiotics
  12. Collecting, tracking and analyzing antimicrobial consumption
  13. Collecting, tracking and analyzing resistance patterns
  14. Regularly reporting antimicrobial stewardship measures to relevant healthcare practitioners and hospital administration
2. In accordance with the CDC Core Elements of Hospital Antibiotic Stewardship Program recommendations, all prescribers are required to perform the following:
  1. Document in the medical record or during order entry the following:
    - i. Antibiotic indication
    - ii. Antibiotic dose
    - iii. Duration of antimicrobial therapy
  2. Review appropriateness of any antibiotics prescribed after 48-72 hours from the initial orders (e.g., antibiotic time out)

3. Pharmacists are required to perform interventions approved by the Pharmacy and Therapeutics Committee which include the following
  1. Intravenous to oral conversion of antimicrobials
  2. Renal dosing of antimicrobials
  3. Therapeutic interchanges
  4. Antibiotic streamlining
  5. Antimicrobial restrictions
4. Roles and Responsibilities:
  1. Appointed antibiotic stewardship leader (champion: e.g., infectious diseases physician or pharmacist)
    - i. The development and implementation of the hospital's antibiotic stewardship program based on nationally recognized guidelines, to monitor and improve the use of antibiotics
    - ii. All documentation, written or electronic, of antibiotic stewardship program activities
    - iii. Communication and collaboration with medical staff, nursing, and pharmacy leadership, as well as the hospital's infection prevention and control and quality assessment and performance improvement programs, on antibiotic use issues
    - iv. Competency-based training and education personnel and staff, including medical staff, and, as applicable, personnel providing contracted services in the hospital, on the practical applications of antibiotic stewardship guidelines, policies, and procedures
  2. A infectious disease fellow/physician advisor
    - i. Responsible for program outcomes
    - ii. Provides monitoring of patients receiving selected unrestricted antimicrobials
    - iii. Provides clinical guidance and enforcement
    - iv. Provides oversight to team PURPOSES
  3. A pharmacist(s)
    - i. Collaborates with physicians regarding adjustment of antimicrobial therapy related to pharmacist monitoring activities
    - ii. Provides daily monitoring of microbiological data
    - iii. Provides daily monitoring of patients receiving selected antimicrobials
    - iv. Provides co-leadership in improving antibiotic use
  4. Microbiology personnel
    - i. Contribute to antibiogram development and education
    - ii. Work collaboratively to ensure that lab reports present data in a way that supports optimal antibiotic use
    - iii. Guide the proper use of tests and the flow of results
  5. Infection control personnel
    - i. Communication and collaboration with the antibiotic stewardship program.
    - ii. The prevention and control of HAIs, including auditing of adherence to infection prevention and control policies and procedures by hospital personnel.
    - iii. Competency-based training and education of hospital personnel and staff, including medical staff, and, as applicable, personnel providing contracted services in the hospital, on the practical applications of infection prevention and control guidelines, policies and procedures.
    - iv. Communication and collaboration with the hospital's QAPI program on infection prevention and control issues.
    - v. All documentation, written or electronic, of the infection prevention and control program and its surveillance, prevention, and control activities.

- vi. The development and implementation of facility-wide infection surveillance, prevention, and control policies and procedures that adhere to nationally recognized guidelines.

#### 6. Informational Technology

- i. Assist with creation of a score card to track success of antimicrobial stewardship program
- ii. Create prompts for action to review antibiotics in key situations and facilitating the collection and reporting of antibiotic use data
- iii. Implement clinical decision support for antibiotic use
- iv. Assist with integrating stewardship protocols into existing workflow

## OPERATIONAL PROCESS

The pharmacist will write down all antibiotics prescribed on the Antibiotic Judicious Use Form.

1. The pharmacist will automatically make renal dose adjustments on antibiotics. Both the Infectious Control Report and the Micro Result Log will be faxed to the ID physician on a daily basis. All recommendations by the ID physician will be relayed to the pharmacist who will then contact the prescribing physician. The ID physician will educate prescribing physicians on a one-on-one basis when needed.
2. All information related to antibiotic use recommendations, Drug Use Evaluations (DUE) and antimicrobial metrics will be gathered on a quarterly basis by the Director of Pharmacy and reported to the IC and P&T Committees.
3. Aminoglycoside/Glycopeptide (e.g. vancomycin and gentamicin) adjustments are made automatically by the pharmacist. Appropriate labs are ordered by the pharmacist in order to monitor these medications.
4. The Director of Pharmacy will evaluate all of the following:
  - Automatic stop orders
  - IV to PO switches
  - Formulary restriction
  - Order sets for pneumonia
  - Duplication evaluation (i.e. redundancy with pip/tazo and metronidazole for anerobic microbials)
  - Evaluation of empiric antibiotic therapy within 48 hours of first dose
  - Renal dose adjustments (staff pharmacist to monitor on the Antibiotic Judicious Use Form)
  - Lab results (i.e. C&S reports)
  - DUE's (i.e. vancomycin monitoring)
  - vancomycin/gentamicin adjustments
  - Duration of therapy
5. Restrictive methods to promote appropriate prescribing include:
  - Tigecycline: restricted to the treatment of complicated skin and skin structure infections, complicated intra-abdominal infections, and community acquired pneumonia. There is an increase in risk of death with tigecycline when used in patients with ventilator-associated pneumonia.
  - Voriconazole: restricted to invasive aspergillus and serious mold infections
  - Linezolid: restricted to vancomycin resistant staph aureus or MRSA patients who cannot tolerate vancomycin
  - Daptomycin: restricted to staphylococcal bacteremia
  - Amphotericin B: restricted to systemic fungal infections, febrile neutropenia, cryptococcal meningitis, visceral leishmaniasis

## Policy : 15-10 Controlled Drugs: Administration

### PURPOSE

Medication Management – Controlled Substances

### DEFINITIONS

None

### POLICY

Controlled drugs shall be administered in accordance with medical staff rules and regulations relating to administration of medications and the facility's policies and procedures relating to administration of medications.

### ADMINISTRATION RECORDS

Administration of designated controlled drugs shall be recorded on a Medication Administration Record (MAR) as well as a Controlled Substances Administration Record (CSAR), sometimes referred to as a Controlled Drug Administration Record (CDAR) or Narcotic Administration Record (NAR).

### USE OF THE CSAR FOR OTHER MEDICATIONS

Selected non-controlled drugs may be placed on a CSAR. However, they must be on separate records or on a separate section of the same record.

### ENTRIES

- Date and time of administration to the patient or adjustment to stock
- Patient's last name, first name or initial, and location
- Medication name, dosage form, and strength
- Quantity of medication administered and/or waster (dosage unit, mg or mL) OR quantity of medication issued/returned and/or brought forward
- Practitioner who ordered the medication
- Signature and title of person who administered the medication OR adjusted the stock
- Signature of witness to destruction of wasted portion OR adjustment
- Reason why a full dose was wasted
- Signature of shift count with witnesses

### ENTRY NOTES

- Use a separate line for each medication issued, administered or returned.
- Do not use ditto marks. Do not obliterate entries.
- Correct errors with a single line and initial all corrections.
- Subtract the unit(s) administered from the previous balance and enter in the proper column. Entries shall always reflect the balance on hand.

### WASTAGE AND DESTRUCTION

The disposition of a portion of a controlled drug remaining in an ampule, vial, or syringe, must be documented. Documentation of wastage or destruction shall be on the next available line of the administration record or in a designated column or area of the record or performed electronically.

A licensed person must witness and cosign for all wastage and destruction. If a full dose is wasted, a reason must be documented.

### **PHARMACIST VERIFICATION OF ENTRIES**

A pharmacist shall randomly verify entries. Verification shall include at least:

- Proof that a current, valid physician's order exists.

NOTE: All CSAR entries shall be verified for current physician's order at time of posting quantities to the pharmacy patient profile.

- Comparison with patient records to ensure the amounts administered agree on all documents.
- Comparison of ending balances with balances brought forward.
- Reconciliation of amount on hand with balance on record.

### **DEFICIENCIES**

Completed Controlled Substances Administration Records (CSARs) shall be examined for deficiencies upon return to the pharmacy.

CSAR deficiencies (e.g., incorrect or incomplete entries and absence of a current, valid physician's order) shall be reported to the Director of Nursing or designee (e.g., the supervisor of the responsible patient care unit).

The person responsible for the incorrect or incomplete entry shall be required to make the required entry or correction on the original document. If necessary, the supervisor-in-charge shall make the original CSAR available to the responsible person.



## Policy : 15-11 Controlled Drugs: Anesthesia

### PURPOSE

Medication Management – Controlled Substances

### DEFINITIONS

None

### POLICY

The use, wastage, or disposal of CII through CV drugs in anesthesia shall be documented fully.

### ENTRIES

The following information shall be recorded:

- Date and time of administration to the patient or adjustment to stock
- Patient's last name, first name or initial, and location, medication name, dosage form and strength
- Quantity of medication administered and/or wasted (dosage unit, mg or mL) -OR Quantity of medication issued/returned and/or brought forward
- Practitioner who ordered the medication
- Signature and title of person who administered the medication OR adjusted the stock
- Signature and title of witness to destruction of wasted portion OR adjustment to stock

### ENTRY NOTES

- Use a separate line for each medication issued, administered or returned
- Use the last name and at least one initial for all names and signatures
- Do not use ditto marks. Do not obliterate entries
- Correct errors with a single line and initial all corrections
- Subtract the unit(s) administered from the previous balance and enter in the proper column. Entries shall always reflect the balance on hand.

### PHARMACIST VERIFICATION

A pharmacist shall verify entries randomly. Verification shall include at least:

- Comparison with surgery records to ensure the amounts administered agree on both documents
- Comparison of ending balances with balances brought forward
- Reconciliation of amount on hand with balance on record
- Signature of witness to wastage

## Policy : 15-12 Controlled Drugs: Loss and Diversion Processes

### PURPOSE

Medication Management – Controlled Substances

### DEFINITIONS

None

### POLICY

Evaluation of theft or loss of controlled drugs will follow a procedure that includes the following elements.

### PROCEDURE

To evaluate a discrepancy of fewer controlled substances than expected:

- Start investigation
  - At least two employees – one of whom must be a pharmacist – must be involved with the investigation
- Inventory stock
  - Inside pharmacy
    - Safe/Vault/Automated Devices – initially inventory target controlled substance product. Ensure that area(s) are appropriately searched to eliminate possibility that target product was not properly re-shelved/restocked.
    - Evaluate outdated product storage to ensure product is not there or miscount did not occur.
    - Evaluate automated device reports (if applicable) and identify/evaluate any areas where Policies & Procedures may have been inadequately followed.
    - Evaluate preparation area to ensure medication was not inadvertently left in counting machine/tray, fallen between counters or on to floor or lab coat pockets, or other areas that possibly could contain the item.
    - Consider other locations within the pharmacy where loss could have occurred.
    - Prepack process: consider look-alikes swap out of target drug during prepacking.
- Outside Pharmacy (inpatient hospital units, surgical centers, etc.)
  - Automated dispensing cabinets (ADCs) help determine if an error occurred in the processes and/or if the variance is potentially related to theft
  - Ensure that the facility ADC policies and procedures were fully followed.
  - Consider inventorying other items in the ADC as well
  - Evaluate reports for ADC: removals, discrepancies, inventories (are they being performed per policy, at shift change, etc.)
  - Ensure the blind count setting is being utilized,
  - Evaluate if there is an indication that the target drug was dispensed at an inappropriate time (i.e., a controlled substance sleeping aid removed from ADC in the morning)
  - Evaluate if there is a report of poor patient pain control despite the nurse “administering” the target medication, etc.
  - Pull out drawer of device to ensure the product did not become lodged behind the drawer.
  - Consider other locations outside of the pharmacy where loss could have occurred.
  - Evaluate lock boxes

- If the product is found
  - Document investigation and evaluate possible process improvements needed to help prevent reoccurrence.
  - Retrain staff and/or work with facility Risk Management to determine if a need to amend Policies and Procedures is warranted.
- If the product is not found, determine if this will be considered a theft situation or not.
  - If not considered a theft situation
    - Consider if it is a significant loss. Significant loss is defined by Cardinal Health as the following:
      - The single item negative inventory variance quantity is greater than 1% of the single item movement over the previous six months. To determine movement, select the physical inventory of the item in question that is closest to six months prior to the current inventory.
      - The single item negative inventory variance quantity is less than 1% of the single item movement over the previous six months but is deemed to be a substantial quantity (e.g., full case, shelf pack).
      - The single item or a group of items with a common controlled substance active ingredient that has a pattern of unresolved negative inventory variances that could result in a substantial loss over a period of time. Inventory variances falling into this category must be escalated to Corporate QRA for review. In considering whether these losses constitute significant losses, Corporate QRA considers the following factors:
        - Whether the single item or a group of items has negative inventory variances and the losses do not appear to be random.
        - Whether the single item or a group of items has negative inventory variances and the item is a likely candidate for theft and there are local trends or other indicators of the theft potential of these missing item(s).
        - Whether the single item or a group of items has negative inventory variances and their loss can be associated with access to those item(s) by specific individual(s), or whether the loss can be attributed to unique activities that may take place involving these item(s).
    - If the local DEA office has provided a different directive regarding the reporting of negative inventory variances to the registrant, the directive must be documented and retained on file.
  - If not a significant loss and not a theft:
    - Document investigation. Include in the documentation drug and quantity variance to allow for tracking should a pattern of small variances develop. Evaluate possible process improvements needed to help prevent reoccurrence.
    - Retrain staff and/or amend pharmacy Policies & Procedures if necessary.
- If a significant loss is noted, the following steps and communications must be completed.
  - Initiate documentation and complete all processes on the "Investigation File – Loss or Theft of Controlled Substance" form found on Pharmacy 411. Ensure that all processes in this section are completed and documented on the form.
  - Notify Cardinal Health account manager
  - Communicate with DEA within 24 hours, utilizing template wording found in "DEA Theft Official Notice" found on Pharmacy 411.
  - Notify hospital risk management and direct report at your facility
  - Notify State Board of Pharmacy and document all processes on the "Investigative File – Loss or Theft of Controlled Substances."
  - Complete Electronic DEA form 106 within 60 days. Ensure that you retain the Key Code to access or resend the DEA Form 106 once sent via electronic method.
  - Email scanned copy of the "Investigation File – Loss or Theft of Controlled Substance" form to Manager, Regulatory Management and Carbon Copy Director, Regulatory Management, Ullrich Mayeski, and Mike Brown via email if significant loss or theft, pharmacy is involved, or Global Security is called and/or Cardinal Employee involvement.

- If theft is suspected, complete all steps above plus the following:
  - Contact local law enforcement to file report
  - Contact Global Security and appropriate HR representatives if Cardinal Employee involved. Global Security in concert with facility policies and procedures will direct further actions as it relates to the Cardinal employee theft.
- If you suspect that there is a risk that a stolen product may be placed into circulation for human consumption or you have received products that appear to have been tampered with, follow steps noted in the procedure titled "Drug Supply Chain Security Act (DSCSA): How to Handle Tampered/Illegitimate Products" found on Pharmacy 411 to communicate with FDA.
- When an error occurs in the inventory count which cannot be explained on investigation, the error is to be reported using the hospital's routine risk management reporting system. These reports will be reviewed monthly by the Medication Management Function Team (MMFT) and the pharmacy Department Director.

Reporting a loss to California State Board of Pharmacy

The owner shall submit to the Board a report containing the information in subdivision no later than thirty (30) days after the date of discovery of the following:

- Any loss of a controlled substances, in one of the following categories that causes the aggregate amount of unreported losses discovered in that category, on or after the same day of the previous year, to equal or exceed:
  - For tablets, capsules, or other oral medication, 99 dosage units.
  - For single-dose injectable medications, lozenges, film, such as oral, buccal and sublingual, suppositories, or patches, 10 dosage units.
  - For injectable multi-dose medications, medications administered by continuous infusion, or any other multi-dose unit not described in subparagraph (A), two or more multi-dose vials, infusion bags, or other containers.
  - Any loss of a controlled substance, regardless of the amount, attributed to employee theft, in addition to the reporting requirements and time frames mandated by Business and Professions Code section 4104.
  - Any other significant loss as determined by the pharmacist-in-charge, including but not limited to losses deemed significant relative to the dispensing volume of the pharmacy.
- All reports under this section shall specify the identity, amounts and strengths of each controlled substance lost, and date of discovery of the loss, for all losses that have made the report necessary.

Note: Authority cited: Section 4005, Business and Professions Code. Reference: Sections 4081, 4104, and 4332, Business and Professions Code. Title 16 1715.6

## Policy : 15-13 Controlled Drugs: Controlled Substance Patches

### PURPOSE

Medication Management – Controlled Substances

### DEFINITIONS

None

### POLICY

Documentation of the application and removal of controlled substance patches (i.e. fentanyl) will be recorded on the Medication Administration Record and appropriate controlled substances records.

### STORAGE AND DISPENSING OF CONTROLLED SUBSTANCE PATCHES

Controlled substance patches will only be stored in the pharmacy. They will only be dispensed one at a time per prescriber's order.

Upon entering/approving the order in Meditech, the system will immediately produce a Misc Order for Patch Removal that automatically links to the original patch order. This order will provide the nurse the order to remove the patch at the appropriate time.

### APPLICATION OF CONTROLLED SUBSTANCE PATCH

When a controlled substance patch is applied to a patient, the nurse will record the date, time and site of application on the Medication Administration Record and will write the date, time and nurse's initials on the patch.

The presence of the controlled substance patch will be verified each day and documented on the MAR.

If the dose of the controlled substance patch is changed, the existing patch will be removed and a new patch applied.

### DISPOSAL OF CONTROLLED SUBSTANCE PATCHES

Controlled substance patches will be disposed of in a manner to prevent diversion of the patch.

Immediately after the removal, the patch shall be wasted per regulatory guidelines in the presence of a witness. The destruction shall be documented and countersigned on the Controlled Substance Administration Record (CSAR).

- Upon removal of the topical controlled substance patch from the patient, the care provider will fold the sticky side together and dispose of into a Stericycle CsRx controlled substance service container with an LVN or RN staff member as a witness.
- If a controlled substance patch is to be "wasted" due to contamination or other reasons (i.e., the patch is not used by the patient), the same process is to be followed (fold the sticky sides together and dispose of into a Stericycle CsRx controlled substance service container with an LVN or RN staff member as a witness). The documentation process outlined under the routine destruction component of this policy will then be followed, documenting that the medication was not given and was properly destroyed.

If the controlled substance patch was applied prior to hospital admission, document the removal in the Nurses' Notes.

## Policy : 15-15 Controlled Drugs: Diversion Prevention and Detection

### PURPOSE

Medication Management – Controlled Substances

### DEFINITIONS

None

### POLICY

The hospital leadership will maintain vigilance to detect potential diversion of controlled substances. The Director of Pharmacy will work with the hospital to develop and maintain accountability for all controlled substances.

Consider the following:

#### Manual systems

- Use a daily sheet for all controlled substances, which is matched to the prior day's total by pharmacy
- Develop a mechanism and/or retrospective review to ensure orders exist for all (or a representative sample) of controlled substance transactions

#### Automated systems

- All controlled substances should be on blind count
- Implement a policy to check for orders for all controlled substances removed on override

#### Discrepancies

- All discrepancies should be resolved prior to the end of the shift
- When an error occurs in the inventory count which cannot be explained within 24 hours on investigation, the error is to be reported using the hospital's routine risk management reporting system. These reports will be reviewed monthly by the Medication Management Function Team (MMFT) and the pharmacy Department Director.

#### Data Mining

- Implement data mining and thresholds for transactions greater than a specified Standard Deviation from comparable staff

#### Comprehensive Approach, such as a combination of:

- Pharmacy review of records and reports
- Detection and review of unusual patterns
- Manager of patient care or procedural unit review of discrepancies
- Data mining
- Reviewing pain relief with selected patients

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## Policy : Hearing Protection during MRI Exams

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### PURPOSE

The MRI environment is unique and can be very loud. The primary source of noise in an MRI scanner suite is movement of the gradient coils due to rapid alterations in their electrical currents. This noise is often referred to as knocking or tapping, can cause individuals to feel uncomfortable, and may even cause temporary hearing loss. The American College of Radiology (ACR) guidelines state:

***“Hearing protection is required for all patients studied on MR imaging systems capable of producing sound pressures that exceed 99 dB(A). The International standard on this issue (IEC 60601-2-33: “Particular requirements for the basic safety and essential performance of magnetic resonance equipment for medical diagnosis”), also states that, for all equipment capable of producing more than an A-weighted r.m.s. sound pressure level of 99dB(A), hearing protection shall be used for the safety of the patient and that this hearing protection shall be sufficient to reduce the A weighted r.m.s. sound pressure level to below 99 dB(A).”***

### POLICY

1. ALL patients undergoing an MRI procedure shall use earplugs as a method of hearing protection.
2. Hearing protection is **NOT** optional even if the patient wishes to decline use. If the patient declines use, MRI will not be performed.
3. Visitors or hospital staff that must be in the MRI suite during the procedure must also use ear plugs or other hearing protection.

The approximate acoustic noise reduction for the ear plugs we provide is 29 db attenuation.

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### REFERENCES

Kanal E, Barkovich AJ, Bell C et al. “ACR Guidance Document on MR Safe Practices: 2013.” J Magn Reson Imaging. 2013 Mar;37(3):501-30.

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## Policy : Radiology No Show Policy

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### PURPOSE

To have a workflow process to reduce the number of 'No Show' patient appointments thereby optimizing scheduling, availability, and workflow.

### DEFINITIONS

Operational Definition: A patient will be considered a 'No Show' when the patient does not contact the radiology department to cancel a scheduled appointment.

### PROCEDURE

1. First and Second 'No Show' Appointment: Radiology Clerical staff will contact the patient by phone to determine the patient's no show status and record in Meditech as a 'No Show.' The Radiology Clerical staff will try to reschedule the patient or put a note in Meditech that the patient desires not to be rescheduled.
  - a. If the patient desires not to be rescheduled, then the Radiology Clerical staff will notify the Referring Physician and put a note in Meditech.
2. Third 'No Show' Appointment: Radiology Clerical staff will contact the referring physician by phone to notify them that the patient has not made the last 3 appointments and if the Radiology Clerical should keep the order or discard. No show status will be put in a note in Meditech. Radiology will store patient's order for 90 days after notifying the referring physician.



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## Policy : Personnel and Visitor Screening

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### PURPOSE

Because of the effects of the static magnetic field, all personnel and visitors are thoroughly screened for contraindications to MRI before entering the magnetic field area or magnetic room (Zone 4).

### POLICY

- A. No loose, ferrous metal objects are permitted to be in or on a person when entering the restricted magnetic field.
- B. All patient safety criteria must be met by personnel and visitors.
- C. Visitors, patients, and personnel are subject to the same strict screening criteria which must be completed before entering the scanner.
- D. See Appendix A for Personnel and Visitor Screening Form.

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## Policy : MRI Screening of Unconscious, Unresponsive, Altered-Level-of-Consciousness Patients

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### PURPOSE

When screening patients for whom an MR examination is deemed clinically indicated or necessary but who are unconscious or unresponsive; who cannot provide their own reliable histories regarding possible prior surgery, trauma, or injury by a metallic foreign body; or for whom such histories cannot be reliably obtained from others.

### POLICY

1. Family members or guardians of such patients should complete a MRI screening form prior to the patient's introduction to Zone 3.
2. If no reliable patient history can be obtained, and if the requested MR examination cannot reasonably wait until a reliable history might be obtained, it is recommended that such patients undergo plain-film radiography (if recently obtained plain films, computed tomography (CT) studies, or MR studies of the following areas are not already available) to exclude potentially harmful embedded or implanted metallic foreign bodies, implants, or devices. Plain-film radiography should include the head/neck, chest, abdomen/pelvis, and upper arms and thighs. If there are obvious post-traumatic changes to the distal extremities, those regions should also undergo plain-film radiography prior to MR exposure.
3. The radiologist on staff or on-call will review the images and determine if MR examination can be performed.

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### REFERENCES

ACR Manual on MR Safety

<https://www.acr.org/-/media/ACR/Files/Radiology-Safety/MR-Safety/Manual-on-MR-Safety.pdf>

## Policy : Oral Contrast for CT Procedures

### PURPOSE

To assist Physicians and Radiology staff on oral contrast ordering, timing and instructions. It will also provide Pharmacy with instructions to give the patient when picking up the oral prep.

### POLICY

**There is two types of contrast used depending on the study performed.**

1. Volumen: ordered for Enterography exams ONLY
2. Gastrografin: ordered for all other Abdomen/Pelvis studies if indicated.
3. Inpatients and Outpatients who have an order for **Routine** CT Abdomen/Pelvis or CT Abdomen will receive oral contrast.
  - a. Exemptions are studies that are Kidney related (ie: kidney stone study or any other kidney indications) and other CT Angio and specialty exams, follow normal protocol.
4. Patients do not need to be NPO for oral or IV contrast studies (see definition)
5. The Physician will order the oral contrast through Meditech and specify whether they want a crystal light packet from pharmacy.
6. All oral contrast will be mixed in the oral contrast bottles supplied through Pharmacy.
7. After hours the RN will obtain the oral contrast through the Med Surg Pyxis machine.

### DEFINITION

To decrease the likelihood of vomiting and aspiration, some practices request that patients fast prior to administration of oral or IV contrast media. However, currently used low and iso-osmolality nonionic iodinated contrast media used for CT, have much lower risk of vomiting compared to previously used ionic high-osmolality iodinated contrast media. Fasting can cause negative effects including scheduling limitations, hypoglycemic risk in patients with diabetes mellitus, general discomfort and issues with IV access due to dehydration. Therefore, given the potential for negative consequences due to fasting and a lack of evidence that supports the need for fasting, fasting is not required prior to routine intravascular or oral contrast material administration (according to the current ACR guidelines).

**\*\*Exception: Patients receiving conscious sedation, anesthesia guidelines should be consulted.**

### PROCEDURE

#### VOLUMEN

1. Inpatient/ER preparatory instructions: RN to coordinate with CT Technologist when the patient should start drinking and confirm IV is patent before PO contrast is given.
  - a. Dose Instructions - Patient drinks 3 bottles in 1 hour
    - i. 1 bottle (450ml) every 20 minutes saving the last ½ of the 3rd bottle.
    - ii. Last ½ of the 3rd bottle to be consumed in the CT scan room with CT Technologist
2. Outpatient
  - a. Dose Instructions - Patient drinks 3 bottles in 1 hour
    - i. 1 bottle (450ml) every 20 minutes saving the last ½ of the 3rd bottle.
    - ii. The last ½ of the 3rd bottles to be consumed in the CT scan room with CT Technologist.

#### GASTROGRAFIN

1. Inpatient/ER preparatory instructions: RN to coordinate with CT Technologist when the patient should start drinking and confirm IV is patent before PO contrast is given.
  - a. Dose Instructions- Mix entire contents of gastrografin (60ml) with 900ml of water (please use the PO contrast bottles in Radiology department). May mix with crystal light provided from pharmacy.
    - i. Drink 300ml every 20 minutes saving the last 50ml of bottle to be consumed in the CT scan room with CT

Technologist.

ii. CT Tech: Scan patient 90min after the start of the 300ml (Unless clinically indicated otherwise).

2. Outpatient

a. Mix entire contents of gastrografin (60ml) with 900ml of water (please use the PO contrast bottles in Radiology department). May mix with crystal light, cool aid or tang.

i. Drink 300ml every 20 minutes saving the last 50ml of bottle to be consumed in the CT scan room with CT Technologist.

ii. CT Tech: Scan patient 90 minutes after start of the first 300ml. (Unless clinically indicated otherwise).

**REFERENCES**

ACR Contrast Manual 2021



**MEDICAL EXECUTIVE COMMITTEE  
CREDENTIALS REPORT  
October 19, 2022**

**NEW APPOINTMENTS**

| PRACTITIONER     | DEPT/SERVICE                     | STATUS REQUEST | PROCTOR ASSIGNED |
|------------------|----------------------------------|----------------|------------------|
| Ruff, Jeffry DO  | Medicine/Teleneurology (Vituity) | Provisional    |                  |
| Shaikh, Faraz MD | Medicine/IM Hospitalist          | Provisional    |                  |
|                  |                                  |                |                  |

*See attached for additional New Appointments*

**REAPPOINTMENTS**

| PRACTITIONER           | DEPT/SERVICE                | STATUS                | TERM  |
|------------------------|-----------------------------|-----------------------|-------|
| Bress, Martin MD       | Medicine/Internal Medicine  | Active                | 2 yrs |
| Farahani, H. Camran MD | Medicine/FM-Hospitalist     | Provisional to Active | 2 yrs |
| Gill, Narindar MD      | Medicine/Clinic Pulmonology | Courtesy              | 2 yrs |
|                        |                             |                       |       |

**CHANGE OF STATUS**

| PRACTITIONER   | DEPT/SERVICE            | CHANGE                |
|----------------|-------------------------|-----------------------|
| Gerry, Ryan MD | Surgery/General Surgery | Provisional to Active |
|                |                         |                       |

**ALLIED HEALTH – NEW APPOINTMENT**

| PRACTITIONER         | DEPT/SERVICE               | STATUS      |
|----------------------|----------------------------|-------------|
| Boesl, Chad CRNA     | Surgery/Anesthesiology     | Provisional |
| Powers, Jeffery PA-C | Emergency/Physician Assist | Provisional |

**AHP – REAPPOINTMENTS**

| PRACTITIONER | DEPT/SERVICE | STATUS | TERM |
|--------------|--------------|--------|------|
|              |              |        |      |

**RESIGNATIONS/RETIREMENTS**

| PRACTITIONER        | DEPT/SERVICE  | CURRENT STATUS | COMMENT               |
|---------------------|---------------|----------------|-----------------------|
| Alavekios, Damon MD | Surgery/Ortho | Active         | Voluntary resignation |
|                     |               |                |                       |
|                     |               |                |                       |



San Benito Health Care District

**NEW APPOINTMENTS (continued)**

**TELESPECIALISTS, LLC  
MEDICINE/TELE-NEUROLOGY**

| PRACTITIONER                | PRACTITIONER                |
|-----------------------------|-----------------------------|
| Acevedo-Ramirez, Nattsha MD | Kulin, Wendi MD             |
| Amin, Darshana DO           | Li, Sui MD                  |
| Avino, Lorianne DO          | Liao, Yu-Hsuan MD           |
| Behravan, Vahid MD          | Mukundan, Lakshmi MD        |
| Black, Evan MD              | Nguyen, Jimmy MD            |
| Boudreau, Michelle DO       | Novick, Andrew DO           |
| Bradley, Nina DO            | Primohamed, Fermina MD      |
| Cardentey, Agnelio MD       | Plancher, Joao MD           |
| Chalfin, Renata MD          | Redmond, Cintasha MD        |
| Chen, Ricky MD              | Ressa, Nicholas MD          |
| Chumble, Shubhangi MD       | Richardson, Colby MD        |
| Colon-Garcia, Patricia MD   | Sabra, Mark MD              |
| Floyd, Jessica MD           | Sevilis, Theresa DO         |
| Gill, Kristi DO             | Stabley, Jason, DO          |
| Jiang, Linda MD             | Suarez-Gonzalez, Vivian, MD |
| Khachatryan, Tigran MD      | Yariagadda, Ravi, MD        |



**SUBJECT : PEER REVIEW**

**PURPOSE:**

To evaluate the clinical performance provided by Allied Health Professionals and Physicians of the Medical Staff to:

- Ensure patients receive quality care
- Establish processes for ongoing and focused practice evaluation for members of the Medical Staff
- Create a positive approach to peer review by recognizing practitioner excellence as well as identifying improvement and educational opportunities
- Improve patient safety and quality of care
- Provide accurate and timely feedback to practitioners regarding performance reviews
- Provide data for reappointment processes

**DEFINITIONS:**

- A. Peer: A practitioner whose specialty, education, training and practice setting are similar to the provider under review.
- B. Peer Review: Evaluation of an individual provider's practice utilizing recognized community and evidence-based standards of care. Peer Review includes Ongoing Professional Practice Evaluation (OPPE) and Focused Professional Practice Evaluation (FPPE).
- OPPE: Routine monitoring and evaluation of provider clinical competence, professional behavior, and compliance with Medical Staff Bylaws / Rules & Regulations. See Ongoing Professional Practice Evaluation policy.
  - FPPE: A process of performance evaluation for (1) new appointees to the medical staff or current medical staff members granted new privileges, and (2) when a question arises regarding a currently privileged practitioner's ability to provide safe, high quality patient care. See Focused Professional Practice Evaluation policy.
- C. Conflict of Interest: A conflict of interest is any situation that may compromise the ability of a reviewer to provide an unbiased opinion on a case review.
- D. Behavioral Concern: Disruptive behaviors that can have an adverse effect on staff and negatively impact patient safety.

**POLICY:**

- A. All peer review information, minutes, reports, recommendations, communications and actions made or taken pursuant to this policy are confidential and legally protected from disclosure under the statutory authority of the Health Care Quality Improvement Act of 1986, Title 42 U.S. Code 11101, California Business and Professions Code Section 805, and California Evidence Code Section 1157.
- B. Peer review information is available only to authorized individuals who have a legitimate need to know the information based upon their responsibilities as a medical staff leader or hospital employee. However, they shall have access to the information only to the extent necessary to carry out their assigned responsibilities. Only the following individuals shall have access to provider-specific peer review information, and only for purposes of quality improvement: Medical staff leaders, Medical Staff Services professionals, Quality staff, CEO / Board (as necessary for formal corrective action), and licensing / accrediting bodies with appropriate jurisdiction (e.g., CMS, TJC, CDPH).
- C. No copies of peer review documents will be created or distributed unless authorized by medical staff policy, bylaws, Chief of Staff, or Board.
- D. The Medical Staff maintains a process to evaluate the competency of privileged practitioners through the peer review process. This information will be used in the credentialing, privileging, and reappointment processes.
- E. Participants in the review process will be members of the Active Medical Staff.
- F. Providers are obligated to disclose any actual or potential conflict of interest prior to review of a case.
- G. MEC will make determinations on the need for external peer review. No practitioner can require the hospital to obtain external peer review if it is not deemed appropriate by MEC. External peer review may be considered when:
  - An expert opinion is needed for a fair hearing or lawsuit
  - Vague or conflicting recommendations from internal reviewers
  - Lack of adequate expertise in the specialty under review
  - Available reviewer(s) are determined to have a conflict of interest regarding the practitioner under review that cannot be resolved by MEC
  - Other circumstances that may impact the objectivity or fairness of the peer review process as determined by MEC.



**PROCEDURE:****A. Peer Review Case Selection**

1. Sources for potential peer review cases include but are not limited to:
  - a. Clinical criteria (delineated in Procedure A. 2. below)
  - b. Provider, Committee, Administrative, Nursing or staff referrals
  - c. Outside medical facilities or agencies
  - d. Occurrence reports
  - e. Information obtained from chart reviews and/or aggregate reports
  - f. Patient or patient advocate concerns
2. The Quality staff will review cases utilizing the approved clinical criteria of unexpected death, patient safety event, complication, retained foreign body, unplanned return to OR, avoidable readmission, substantiated grievance, malpractice claim, or other quality concern. Cases that do not meet criteria for peer review will be logged for reference and trending purposes.
3. Cases that meet criteria for peer review will be forwarded to the appropriate Department Chair or designee for initial review.

**B. Peer Review**

1. The assigned peer will review the concerns, the medical record, and any available imaging or diagnostic tests as appropriate. Discussion with staff or other providers may be warranted depending on the circumstances. If no quality or behavioral concerns are identified the case will be closed.
2. If quality or behavioral concerns are identified during review, a letter will be sent to the care Provider(s) under review for additional information, clarification, and/or to give their perspective on the details of the case that are in question. The provider will be requested to respond in writing and will be given at least 14 days from receipt of the letter to provide a written response. The service will make a determination regarding the case after reviewing the practitioner's response. If a response is not received within eight weeks after the date of the inquiry letter, a determination of the quality concern will be completed without the Provider's input.

**C. Peer Review Case Rating**

The case ratings are independent of the patient's outcome. Case ratings will reflect the committee's determination of the level of

appropriateness of the practitioner's skills, judgment, knowledge, communication, care provided, and policy compliance.

1. Exemplary or Appropriate Care: Action required: None
  2. Human Error: Unintentional act or failure that resulted in inadvertently doing other than what was intended.  
Actions may include: Console, assess for contributory patterns, remedy system issues, collegial intervention, and/or educational opportunities.
  3. Controversial or At-Risk Care: Choice(s) that increased risk to patient. Examples: communication/handoff gaps, failure to follow standard of care / evidence-based practices, knowledge deficit, or behavioral issue.  
Actions may include: Coaching, collegial intervention, remedy system issues, educational opportunities, FPPE, and trending occurrences.
  4. Inappropriate or Reckless Care: Conscious choice to disregard a substantial or unjustifiable risk to patient. Also includes repetitive Controversial or At-Risk Care. Examples: occurrences in a system that is largely controlled by provider, inappropriate treatment / procedure, omission of essential care, prescription errors, and egregious conduct.  
Actions may include: Counseling, external peer review, FPPE, summary suspension, and consulting Medical Staff legal advisor.
- D.** Any verbal communications or written discussions with providers about performance issues should be documented and kept in the provider's confidential quality file. Valid concerns should be captured in the OPPE process and be considered at the time of reappointment.

#### REFERENCES & RELATED DOCUMENTS:

1. HHMH Medical Staff Policy, Focused Professional Practice Evaluation (FPPE)
2. HHMH Medical Staff Policy, Ongoing Professional Practice Evaluation (OPPE)
3. The Joint Commission, MS.06.01.03, MS.06.01.07, MS.09.01.01
4. CMS Conditions of Participation for Critical Access Hospital, §485.627



# Health Information Management

MEDICAL RECORDS

# Health Information Management Services support:

**Current and continuing patient care services**

**Health Services**

**Research**

**Patient Accounting**

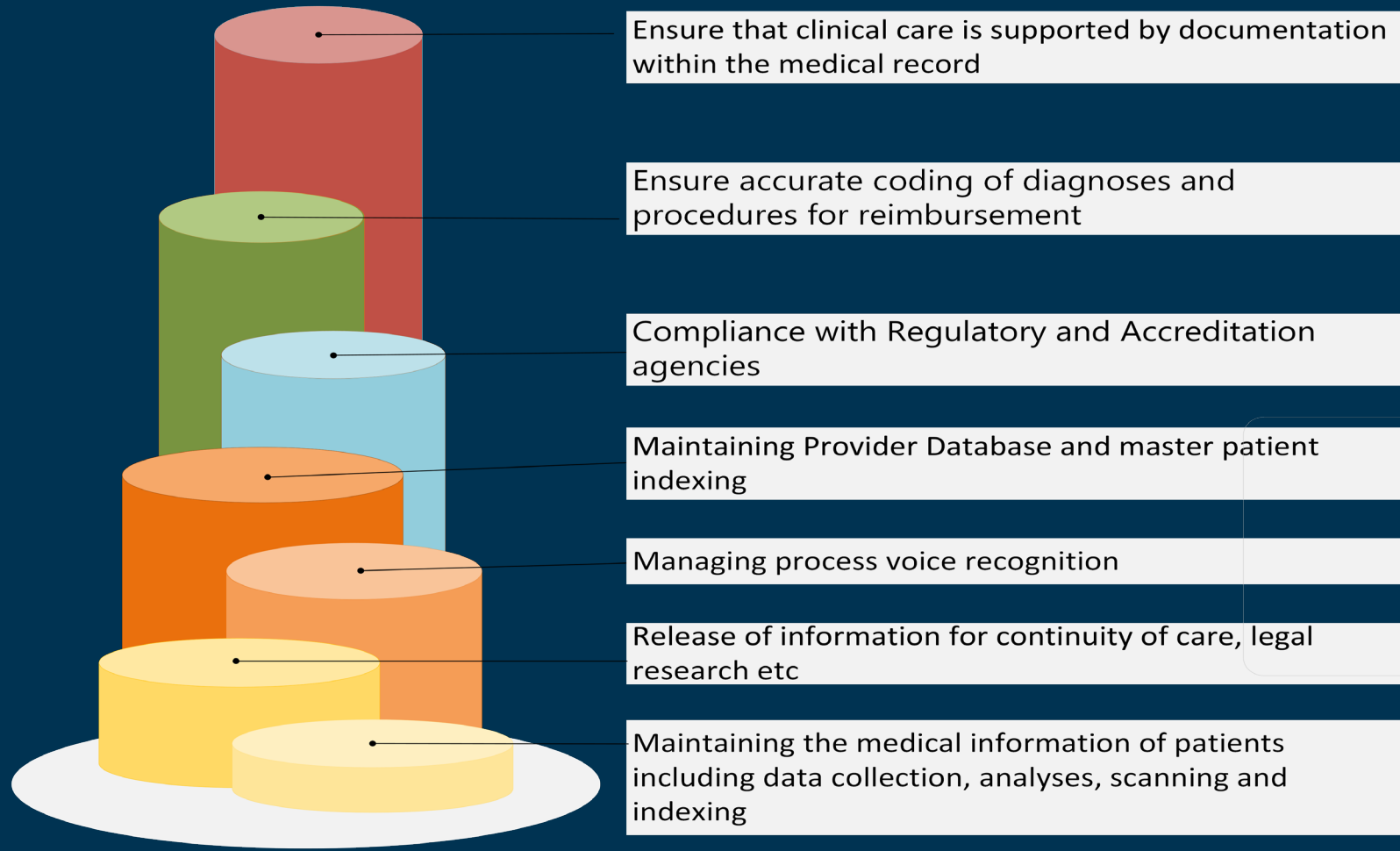
**Case Management**

**Legal Affairs**

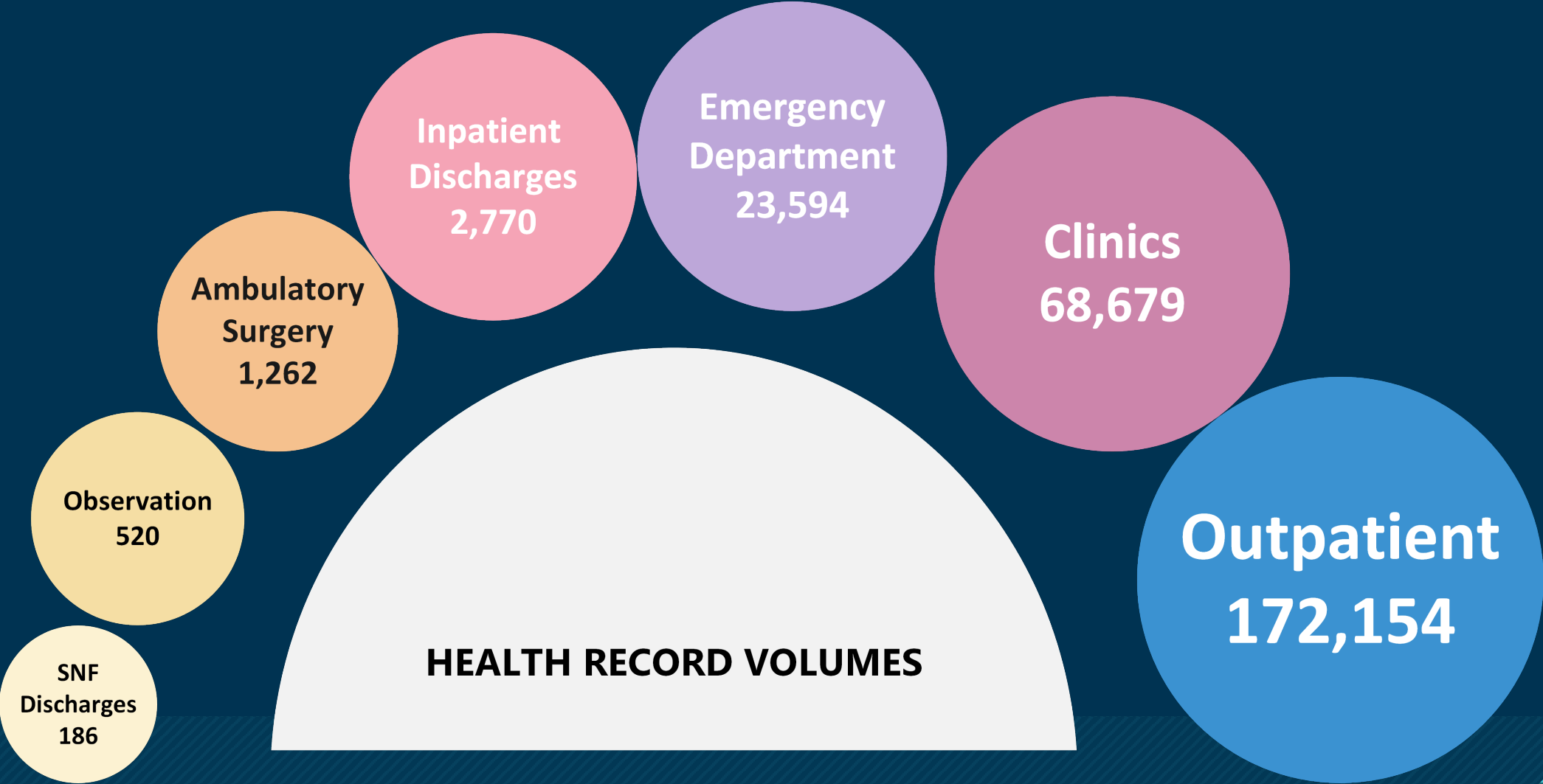
**Administrative Affairs**



# Role of the Health Information Department



# Health Record Volumes



# Hours of Operation



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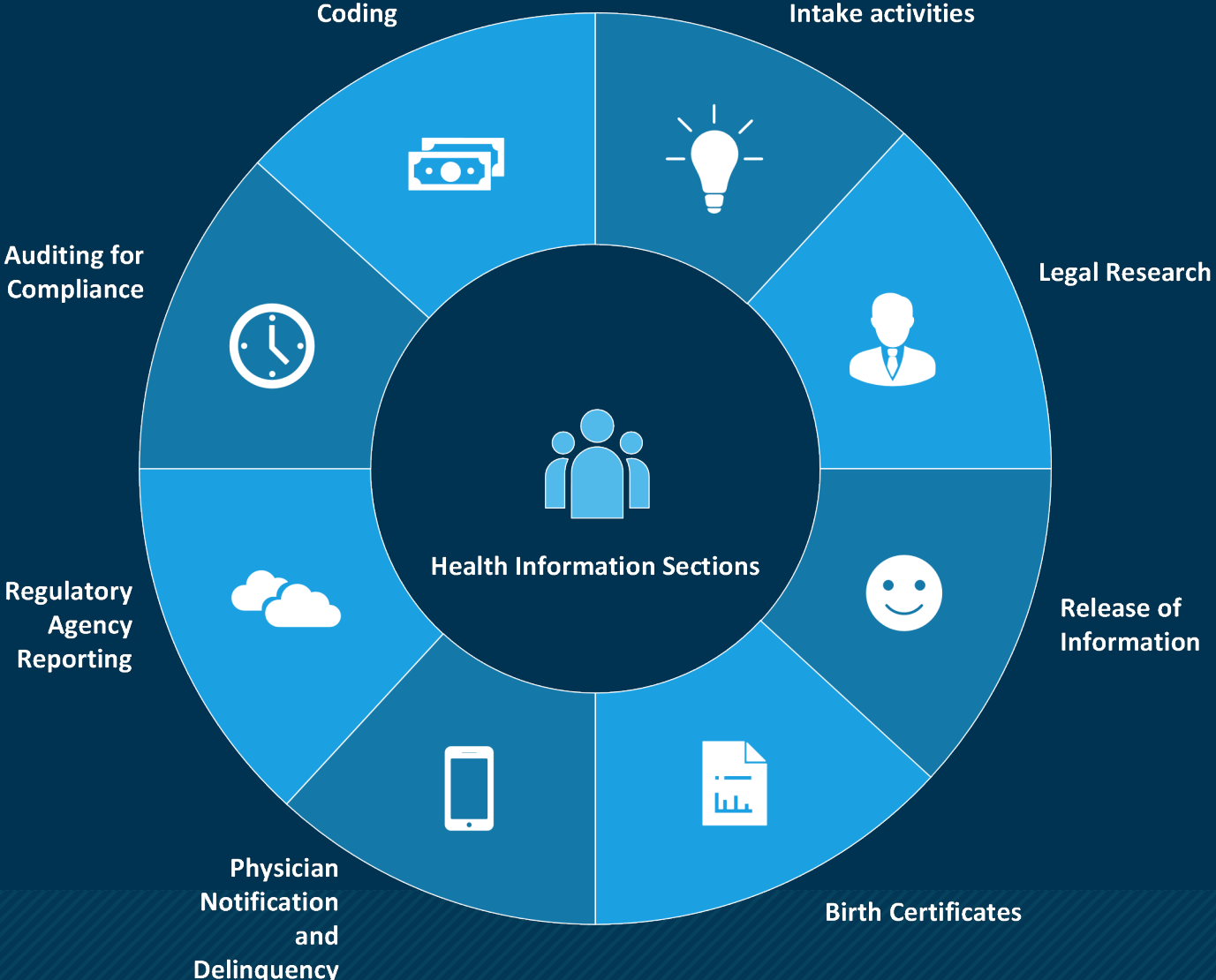
Release of  
Information Hours:  
Monday to Friday  
9:00AM to 3:30PM



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Staffing Hours:  
Monday to Friday  
8:00AM – 4:30PM

# Health Information Sections





# Strategies for Improvement

**1**

*Establishment of policies and procedures to enable utilization of patient portal EMR access.*

**2**

*Working with Providers and Departments to ensure service excellence*

**3**

*Continued collaboration with physicians in regards to required documentation completion*

**4**

*Quality Control and auditing of coding in Clinics*



**Questions?**

**Thank you**

San Benito Health Care District  
Board of Directors Meeting  
27 October 2022  
Chief Clinical Officer Report

- Emergency Department:
  - Visits 2114 Admitted 177
  - Codes Trauma 20
  - Codes Stroke 26
  - LWBS 0
- Med / Surg: ADC 11.6
- ICU: ADC 3.6
- OB: 46 deliveries; 132 Outpatient Visits
- OR Cases: 56 Inpatient; 115 Outpatient
- Currently recruiting for a replacement for the Clinical Dietitian position.



### Ambulatory Services

- General Surgery Clinic – Passed several inspections week of 10/17. Construction continues and we are on track to complete the renovation at the end of October. Furniture on track for delivery.
- Rural Health Clinics – Full-time Primary Care PA, Taylor Pasano, started.
- Recruitment –
  - **ENT** – Kristin Brew, MD signed letter of intent targeting start date of Dec 2022 or Jan 2023.
  - **Family Medicine w/ OB** – Virginia Hernandez, MD site visit scheduled Oct 20, 2022.
  - **Family Medicine/Occupational Medicine** – Nancy Ngoc Ly, MD site visit in Nov.
  - **Orthopedic hand surgeon** – Stefan Klein, MD - letter of intent in process.
  - **Obstetrics & Gynecology** – Margaret Cooper Vaughn, MD – actively negotiating terms of a part-time offer.
  - **Family Medicine & Behavioral Health Nurse Practitioner** – Brunette Bastien, FNP – offer accepted and starts Nov 2022.
  - **Orthopedic Physician Assistant** – interviews conducted, finalist identified, and offer pending.

### Imaging Services

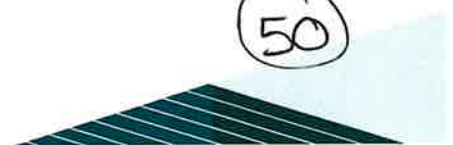
- The new ultrasound machines arrived and the Ultrasound Techs are undergoing training.
- PACS upgrade was completed in September.
- Powerscribe rollback to PS 2019.
- New Lead Interpreting Physician for Mammography is Richard Rupp, M.D.
- Upgrade of Freeland Echo reporting application.

### Laboratory Services

- Started mobile phlebotomy with selected Providers.
- Testing phase of the electronic lab ordering projected to go LIVE in November.

### Food and Nutritional Services

- Volumes are up in the cafeteria and feedback is positive to the changes on the menus.





**Hazel Hawkins**  
MEMORIAL HOSPITAL

To: San Benito Health Care District Board of Directors  
From: Amy Breen-Lema, Director, Provider Services & Clinic Operations  
Date: October 10, 2022  
Re: All Clinics – September 2022

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**2022 Rural Health and Specialty clinics' visit volumes**

Total visits for September 2022 in all outpatient clinics = 6,486

|                                |      |
|--------------------------------|------|
| <b>Orthopedic Specialty</b>    | 505  |
| <b>Multi-Specialty</b>         | 643  |
| <b>Primary Care Associates</b> | 1401 |
| <b>Annex-General Surgeons</b>  | 176  |
| <b>Sunset Clinic</b>           | 899  |
| <b>San Juan Bautista</b>       | 325  |
| <b>1st Street</b>              | 659  |
| <b>4th Street</b>              | 1255 |
| <b>Barragan</b>                | 623  |

- On September 26, 2022, we welcomed new Physician Assistant Taylor Pisano. Taylor comes to us from *California State University Monterey Bay* as a 2022 graduate and is specializing in Family Medicine. She is already proving to be a great addition to our Rural Health clinic provider team. Taylor did some of her training in the Hazel Hawkins Emergency Room before accepting a full-time position with the District.
- Dr. Bunry Pin joined the General Surgery Clinic on September 1, 2022. Dr. Pin is Hollister grown, returning here to give back to the community in which he was raised. He is a great addition to our strong general surgery group. We are very excited to have him as part of our clinic provider team.



# Hazel Hawkins

## MEMORIAL HOSPITAL

Mabie Southside / Mabie Northside SNFs  
Board Report – October 2022

To: San Benito Health Care District Board of Directors  
 From: Sherry Hua, RN, MSN, Director Of Nursing, Skilled Nursing Facility

**1. Management Activities:**

- Provided an overview presentation of the SNFs at the Leadership meeting.
- Provided an SNF Low Bed presentation to the Foundation Board.
- The most recent data from CMS 5-Star Rating indicated our nursing home continued to be 5-Stars; 22 of the 24 Quality Measure indicators are better than the National Benchmark.
- Updated COVID strategies and quarantine criteria for residents and staff per recent CDPH guidelines.
- Residents received Evusheld, the pre-exposure prophylaxis of COVID-19, to minimize risks of COVID infections.
- Residents received the most recent COVID booster Bivalent.
- Updated visitation guidelines based on CDPH recommendations, to be least restrictive, which includes eliminating COVID testing at the door before entry, regardless of the vaccination status.
- Open to Community volunteer services.
- See Attached SNF Organization Chart

**2. Census Statistics: September 2022**

| <b>Southside</b>             | <b>2022</b> | <b>Northside</b>             | <b>2022</b>  |
|------------------------------|-------------|------------------------------|--------------|
| Total Number of Admissions   | 6           | Total Number of Admissions   | 6            |
| Number of Transfers from HHH | 5           | Number of Transfers from HHH | 4            |
| Number of Transfers to HHH   | 1           | Number of Transfers to HHH   | 3            |
| Number of Deaths             | 1           | Number of Deaths             | 1            |
| Number of Discharges         | 6           | Number of Discharges         | 9            |
| Total Discharges             | 7           | Total Discharges             | 10           |
| <b>Total Census Days</b>     | <b>1345</b> | <b>Total Census Days</b>     | <b>1,303</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.

**3. Total Admissions: September 2022**

| <b>Southside</b> | <b>From</b> | <b>Payor</b> | <b>Northside</b> | <b>From</b> | <b>Payor</b> |
|------------------|-------------|--------------|------------------|-------------|--------------|
| 5                | HHMH        | Medicare     | 5                | HHMH        | Medicare     |
| 1                | St. Louise  | Medicare     | 1/Re-Admit       | HHMH        | Medi-Cal     |

52

**4. Total Discharges by Payor: September 2022**

|                    | <b>Southside</b> | 2022     | <b>Northside</b>   | 2022      |
|--------------------|------------------|----------|--------------------|-----------|
| Medicare           |                  | 4        | Medicare           | 5         |
| Medicare MC        |                  | 0        | Medicare MC        | 0         |
| Medical            |                  | 1        | Medical            | 5         |
| Medi-Cal MC        |                  | 0        | Medi-Cal MC        | 0         |
| Private (self-pay) |                  | 1        | Private (self-pay) | 0         |
| Commercial         |                  | 1        | Commercial         | 10        |
| <b>Total</b>       |                  | <b>7</b> | <b>Total</b>       | <b>20</b> |

**5. Total Patient Days by Payor: September 2022**

|                             | <b>Southside</b> | 2022         | <b>Northside</b>            | 2022         |
|-----------------------------|------------------|--------------|-----------------------------|--------------|
| Medicare                    |                  | 23           | Medicare                    | 203          |
| Medicare MC                 |                  | 0            | Medicare MC                 | 32           |
| Medical                     |                  | 1053         | Medical                     | 1,008        |
| Medi-Cal MC                 |                  | 0            | Medi-Cal MC                 | 0            |
| Private (self-pay)          |                  | 39           | Private (self-pay)          | 60           |
| Commercial                  |                  | 20           | Commercial                  | 0            |
| Bed Hold / LOA              |                  |              | Bed Hold / LOA              | 2            |
| <b>Total</b>                |                  | <b>1345</b>  | <b>Total</b>                | <b>1.305</b> |
| <b>Average Daily Census</b> |                  | <b>44.83</b> | <b>Average Daily Census</b> | <b>43.50</b> |

**6. Palliative Care Referral Sources: September 2022**

|                             |           |
|-----------------------------|-----------|
| New Referrals               | 11        |
| Acute Referrals             | 5         |
| Southside Referrals         | 3         |
| Northside Referrals         | 3         |
| Patients Served             | 32        |
| Patients Discharged         | 4         |
| Patients Deceased           | 6         |
| Grief Support               | 22        |
| <b>Total Patient Visits</b> | <b>91</b> |

# Skilled Nursing Facility Organizational Chart

**SNF Administrator  
Chief Executive Officer**

**Director of Nursing  
Sherry Hua**

**Administrative  
Assistant  
Laura Garcia**



54



**Hazel Hawkins**  
MEMORIAL HOSPITAL

D/P Skilled Nursing Facility





# Hazel Hawkins

MEMORIAL HOSPITAL

To: San Benito Health Care District Board of Directors

From: Anita Frederick, Administrator, San Benito Home Health Care

Date: SEPTEMBER 2022

## HOME HEALTH STATS

|                         | JUNE 2022 | JULY 2022 | AUGUST 2022 | SEPT. 2022 |
|-------------------------|-----------|-----------|-------------|------------|
| Total Admissions        | 44        | 37        | 32          | 43         |
| Total Home Visits       | 422       | 519       | 523         | 553        |
| Census / Total Patients | 84        | 88        | 63          | 77         |

## REFERRAL SOURCES

|                 | JUNE 2022 | JULY 2022 | AUGUST 2022 | SEPT. 2022 |
|-----------------|-----------|-----------|-------------|------------|
| Hazel Hawkins   | 32%       | 52%       | 26%         | 53%        |
| Other Hospitals | 14%       | 16%       | 13%         | 19%        |
| Southside SNF   | 7%        | 5%        | 13%         | 7%         |
| Northside SNF   | 11%       | 3%        | 3%          | 5%         |
| Other SNFs      | 2%        | 5%        | 6%          | 2%         |
| M.D. / Clinics  | 34%       | 19%       | 39%         | 14%        |

## PAYOR REFERRAL SOURCE

|                  | JUNE 2022 | JULY 2022 | AUGUST 2022 | SEPT. 2022 |
|------------------|-----------|-----------|-------------|------------|
| Medicare         | 89%       | 68%       | 62%         | 68%        |
| PVT              | 2%        | 2.5%      | 0%          | 9%         |
| Medicare Managed | 5%        | 19%       | 32%         | 16%        |
| Medical          | 2%        | 8%        | 3%          | 7%         |
| Workers Comp     | 2%        | 2.5%      | 3%          | 0%         |

## \*PAYOR SOURCE OF VISITS MADE

|                  | JUNE 2022 | JULY 2022 | AUGUST 2022 | SEPT. 2022 |
|------------------|-----------|-----------|-------------|------------|
| Medicare         | 81%       | 78%       | 75%         | 66%        |
| Medi-Cal         | 5%        | 4%        | 2%          | 2%         |
| Private          | 4%        | 3%        | 3%          | 3%         |
| Managed Medicare | 8%        | 12%       | 19%         | 27%        |
| Workers Comp     | 2%        | 3%        | 1%          | 2%         |



# Hazel Hawkins

MEMORIAL HOSPITAL

To: San Benito Health Care District Board of Directors  
From: Bernadette Enderez, Director of Diagnostic Services  
Date: October 2022  
Re: Laboratory and Diagnostic Imaging

=====

Updates:

**Laboratory**

1. Service/Outreach
  - Started Mobile Phlebotomy- currently at soft opening with selected PCA Providers
  
2. Covid Testing
  - Period: September 2022
  - Total Samples tested: 3782
  - Positivity Rate: 2.51%
  
3. New Tests/Analyzers
  - Ongoing evaluation for Chemistry analyzer, and molecular Biology tests
  
4. Quality Assurance/Performance Improvement Activities
  - Testing phase on electronic lab ordering through Sunquest Atlas
  - Review and Revision of policy and procedures
  
5. Laboratory Statistics
  - See attached report

**Diagnostic Imaging**

1. New Analyzers
  - Two ultrasound equipment delivery and ongoing training of Ultrasound Techs
  - Three Trophon High Level Disinfection machine

56



# Hazel Hawkins

MEMORIAL HOSPITAL

## 2. Quality Assurance/Performance Improvement Activities

- Ortho clinic performance improvement activities regarding positioning
- Mammo patient scheduling revision incorporating Mammo educator recommendation
- New Lead Interpreting Physician as of October 2022 → Richard Rupp, M.D.
- PACS upgrade
- Powerscribe rollback to Powerscribe One 2019 from Powerscribe One 2022
- Upgrade of the Freeland ECHO Reporting Application to incorporate echo reports to Meditech

| MAIN LABORATORY |      |      |      |      |      |      |      |      |      |      |      |      |       |
|-----------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
|                 | JAN  | FEB  | MAR  | APR  | MAY  | JUN  | JUL  | AUG  | SEP  | OCT  | NOV  | DEC  | TOTAL |
| 2020            | 1019 | 840  | 799  | 602  | 801  | 875  | 1138 | 925  | 903  | 1080 | 942  | 1059 | 10983 |
| 2021            | 891  | 739  | 1020 | 939  | 955  | 1058 | 1080 | 1272 | 1563 | 1504 | 1491 | 1584 | 14096 |
| 2022            | 2035 | 1336 | 1506 | 1323 | 1277 | 1165 | 1112 | 1252 | 1092 |      |      |      |       |

| HHH EMPLOYEE HEALTH WEEKLY COVID TEST (INCLUDING SNF_NEW SNF LOCATION ONLY) |      |      |      |      |      |      |      |      |      |      |      |      |       |
|---|------|------|------|------|------|------|------|------|------|------|------|------|-------|
|   | JAN  | FEB  | MAR  | APR  | MAY  | JUN  | JUL  | AUG  | SEP  | OCT  | NOV  | DEC  | TOTAL |
| 2020  |      |      |      |      |      |      | 89   | 478  | 725  | 560  | 565  | 2599 | 5016  |
| 2021  | 1888 | 1566 | 1443 | 1110 | 1031 | 1122 | 1045 | 1656 | 2143 | 1695 | 1842 | 2458 | 18999 |
| 2022  | 2987 | 2136 | 1915 | 1767 | 2219 | 2546 | 2244 | 2355 | 2066 |      |      |      |       |

| MC CRAY LAB |      |      |      |      |      |      |      |      |      |      |      |      |       |
|-------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
|             | JAN  | FEB  | MAR  | APR  | MAY  | JUN  | JUL  | AUG  | SEP  | OCT  | NOV  | DEC  | TOTAL |
| 2020        | 1074 | 1019 | 941  | 921  | 1143 | 1125 | 1111 | 1028 | 1061 | 1260 | 999  | 1073 | 12755 |
| 2021        | 1263 | 1274 | 1394 | 1125 | 1119 | 1193 | 1165 | 1248 | 1192 | 1187 | 1100 | 1099 | 14359 |
| 2022        | 1230 | 1044 | 1206 | 1069 | 1033 | 1025 | 1061 | 1130 | 866  |      |      |      |       |

| SUNNYSLOPE LAB |     |     |     |     |     |     |     |     |     |     |     |     |       |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
|                | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | TOTAL |
| 2020           | 671 | 652 | 424 | 2   | 135 | 472 | 437 | 426 | 463 | 498 | 377 | 470 | 5027  |
| 2021           | 699 | 601 | 624 | 590 | 479 | 636 | 553 | 613 | 580 | 574 | 462 | 487 | 6898  |
| 2022           | 536 | 511 | 632 | 521 | 467 | 488 | 495 | 558 | 423 |     |     |     |       |

| ER AND ASC |      |      |      |      |      |      |      |      |      |      |      |      |       |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
|            | JAN  | FEB  | MAR  | APR  | MAY  | JUN  | JUL  | AUG  | SEP  | OCT  | NOV  | DEC  | TOTAL |
| 2020       | 1199 | 1034 | 943  | 931  | 909  | 1163 | 1909 | 1490 | 1145 | 1114 | 1186 | 1186 | 14209 |
| 2021       | 1628 | 1162 | 1126 | 1077 | 1083 | 1089 | 1174 | 1415 | 1272 | 1139 | 1059 | 1279 | 14503 |
| 2022       | 1434 | 839  | 1040 | 993  | 1328 | 1335 | 1111 | 1198 | 1231 |      |      |      |       |

| TOTAL OUTPATIENT |      |      |      |      |      |      |      |      |      |      |      |      |       |
|------------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
|                  | JAN  | FEB  | MAR  | APR  | MAY  | JUN  | JUL  | AUG  | SEP  | OCT  | NOV  | DEC  | TOTAL |
| 2020             | 3963 | 3545 | 3107 | 2456 | 2988 | 3635 | 4684 | 4347 | 4297 | 4512 | 4069 | 6387 | 47990 |
| 2021             | 6369 | 5342 | 5607 | 4841 | 4667 | 5098 | 5778 | 6204 | 6750 | 6750 | 5945 | 6907 | 70258 |
| 2022             | 8222 | 5866 | 6299 | 5673 | 6324 | 6559 | 6023 | 6493 | 5678 |      |      |      |       |

| TOTAL INPATIENT (ICU,MEDSURG,OB,SNF) |      |      |     |     |     |      |      |      |      |     |     |      |       |
|--------------------------------------|------|------|-----|-----|-----|------|------|------|------|-----|-----|------|-------|
|                                      | JAN  | FEB  | MAR | APR | MAY | JUN  | JUL  | AUG  | SEP  | OCT | NOV | DEC  | TOTAL |
| 2020                                 | 443  | 409  | 412 | 353 | 473 | 508  | 814  | 700  | 494  | 442 | 653 | 1146 | 6847  |
| 2021                                 | 1116 | 1053 | 603 | 654 | 705 | 751  | 761  | 803  | 791  | 986 | 874 | 1301 | 10398 |
| 2022                                 | 1311 | 1102 | 945 | 678 | 963 | 1258 | 1321 | 1421 | 1145 |     |     |      |       |

LABORATORY DEPARTMENT

REQUISITION STATISTICS

Bernadette Enderez  
Director of Laboratory Services

Michael McGinnis, M.D.  
Medical Director



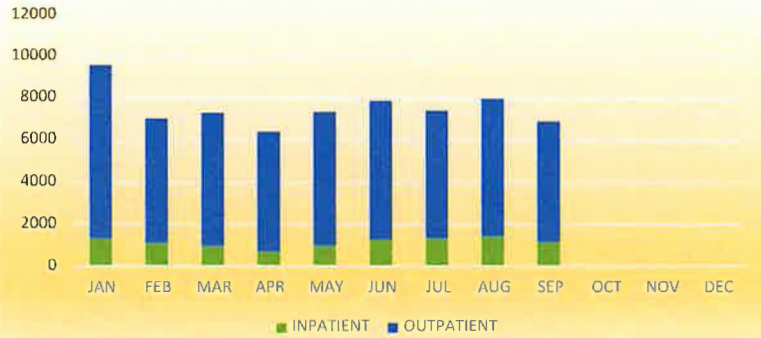
58

### INPATIENT VS OUTPATIENT LABORATORY STATISTICS

| YR 2022    |      |      |      |      |      |      |      |      |      |     |     |     |       |            |
|------------|------|------|------|------|------|------|------|------|------|-----|-----|-----|-------|------------|
|            | JAN  | FEB  | MAR  | APR  | MAY  | JUN  | JUL  | AUG  | SEP  | OCT | NOV | DEC | TOTAL |            |
| INPATIENT  | 1311 | 1102 | 945  | 678  | 963  | 1258 | 1321 | 1421 | 1145 |     |     |     | 10144 | INPATIENT  |
| OUTPATIENT | 8222 | 5866 | 6299 | 5673 | 6324 | 6559 | 6023 | 6493 | 5678 |     |     |     | 57137 | OUTPATIENT |

| YR 2021    |      |      |      |      |      |      |      |      |      |      |      |      |       |            |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|-------|------------|
|            | JAN  | FEB  | MAR  | APR  | MAY  | JUN  | JUL  | AUG  | SEP  | OCT  | NOV  | DEC  | TOTAL |            |
| INPATIENT  | 1116 | 1053 | 603  | 654  | 705  | 751  | 946  | 803  | 791  | 986  | 874  | 1301 | 10583 | INPATIENT  |
| OUTPATIENT | 6369 | 5342 | 5607 | 4841 | 4667 | 5098 | 5778 | 6204 | 6750 | 6750 | 5954 | 6907 | 70267 | OUTPATIENT |

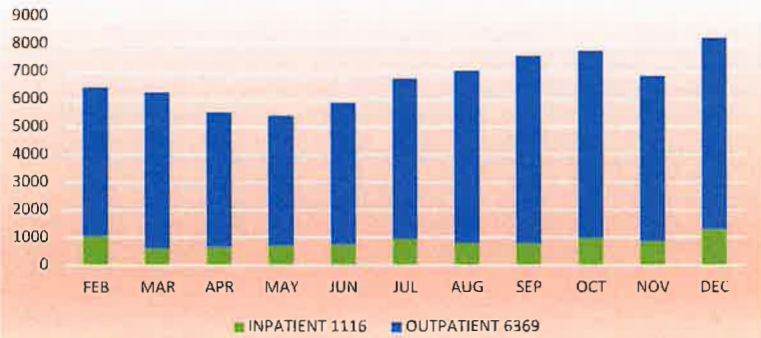
YR 2022 INPATIENT VS OUTPATIENT STATS



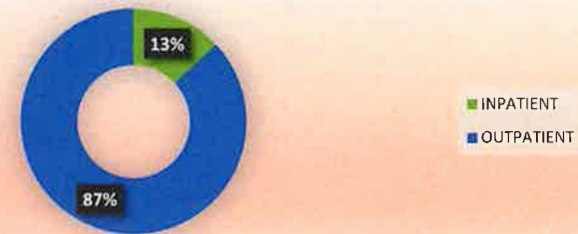
YR 2022 INPATIENT VS OUTPATIENT TOTALS



YR 2021 INPATIENT VS OUTPATIENT STATS



YR 2021 INPATIENT VS OUTPATIENT TOTALS



59

**MAIN LAB OUTPATIENT STATISTICS**



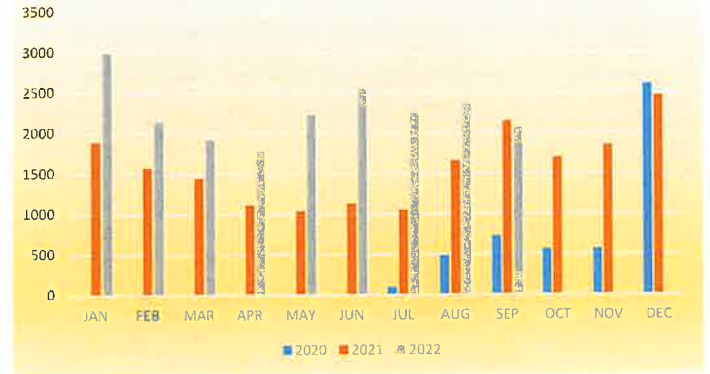
**MC CRAY OUTPATIENT STATISTICS**



**SUNNYSLOPE LAB STATISTICS**



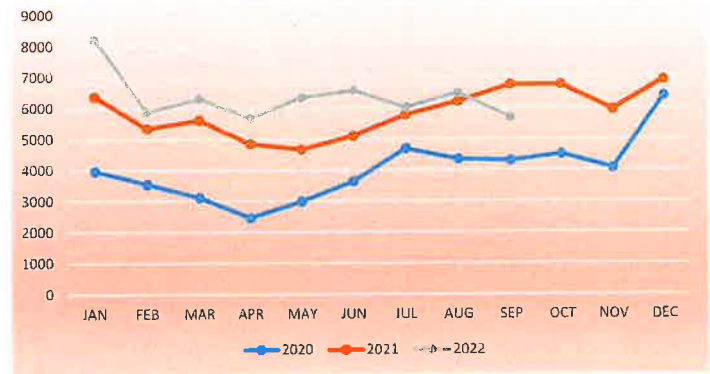
**HHH EMPLOYEE COVID19 SURVEILLANCE STATISTICS**



**ER AND ASC LAB STATISTICS**



**OUTPATIENT LAB STATISTICS**



**LABORATORY DEPARTMENT**

**OUTPATIENT STATISTICS**

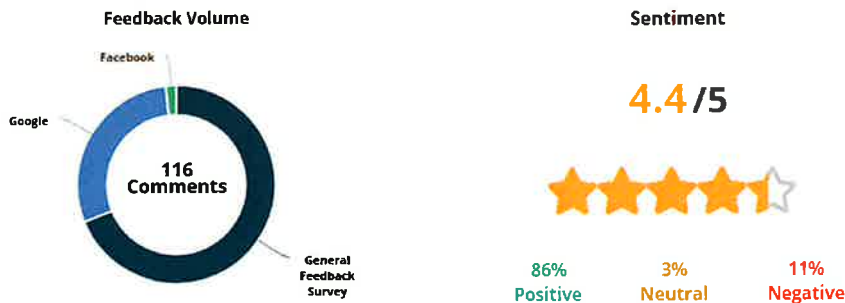
**Bernadette Enderez**  
Director of Laboratory Services

**Michael McGinnis, M.D.**  
Medical Director

60

**PATIENT ENGAGEMENT | SATISFACTION**

- Rounding
- Press Ganey Comments and Results Distribution
- Collaboration with Quality to resolve grievances.
- Reputation.Com survey management



**COMMUNITY ENGAGEMENT**

**Employees:**

- Hawkins Happenings
- Employee of the Month
- Birthday Recognition
- Continuing Department Recognition Week banners and Social Media posts
- Softball Tournament Coordination

**Physicians / Providers**

- Hoang Nguyen, DO, Interventional Cardiologist Physician Introduction
- Stefan Klein, MD, Orthopedic Surgeon, Hand Fellowship Site Visit
- Physician On Boarding Workgroup
- Sacroiliac Joint Dysfunction Seminar
- Paul Percival, MD & Dilshad Kheraj, MD—Site Visit regarding referrals

**Public:**

- Anthem Blue Cross Communications & Advocacy
- SBC Safe Kids Coalition
- Hope Harvest
- San Benito County Fair










**Volunteers**

- Recruitment and Training Support

61

**MARKETING**

- Social Media Postings
- Breast Cancer Awareness Month

|  |   |                          |
|--|---|--------------------------|
|   | Thank you to our purchasing and distribution team. From computers to sutures, you ensure we have the right tools at the right time to do the job right. Supply chain coordination is essential and we are grateful you choose to serve our entire Health Care District.<br>Fri, Oct 7   | Post reach<br><b>619</b> |
|   | Blood Drive - With Stanford Blood Center<br>Wed, Oct 5  | Post reach<br><b>0</b>   |
|   | We are grateful for this team and their food prep/service colleagues. Food has a significant impact on our patient's experience. They also provide for our healthcare workforce. Our Food Services Team has recently expanded into catering excellence for our physicians and advanced practice providers. We are proud of their commitment to quality. Thank you...<br>Wed, Oct 5  | Post reach<br><b>756</b> |
|   | Last Sunday and Monday, our dedicated Labor and Delivery Nurses along with Dr. Amin and Dr. Armstrong attended a Spinning Babies Workshop. The workshop taught the team approaches to managing labor including allowing caregivers to more effectively, 1. facilitate comfort in pregnancy and ease in childbirth 2. Improve fetal position without manipulation o...<br>Tue, Oct 4 | Post reach<br><b>767</b> |
|   | Our Emergency Department Teaching "How to stop the bleed" San Benito County Fair<br>Sat, Oct 1  | Post reach<br><b>645</b> |
|   | Come on out and visit with us at the San Benito County Fair! We had a great turnout for Kid's Day this morning.<br>Fri, Sep 30  | Post reach<br><b>687</b> |
|   | Providing quality healthcare services requires a team of dedicated professionals committed to continually learning. The Skills Fair is a great opportunity to learn from our peers, prove competencies and confirm safe processes. We are so very proud of our nurses, therapists and technologists!<br>Thu, Sep 29   | Post reach<br><b>538</b> |
|   | Our people are the reason care at Hazel Hawkins continues to exceed patient expectations. Learn why Vanessa Villafuerte, Certified Nursing Assistant, was recognized as patient care Employee of the Month, by Barbara Vogetsang, Chief Clinical Officer.<br>Mon, Sep 26  | Post reach<br><b>628</b> |
|  | Hope Harvest Festival a great opportunity for us to connect with our staff, surgeon and community.<br>Sun, Sep 25   | Post reach<br><b>817</b> |

**BUSINESS DEVELOPMENT**

- Anthem Blue Cross Weekday Huddles, Education and Advocacy Efforts
- Website Development
- Breast Program Taskforce
- Strategic Plan Fulfillment Workshop Preparation



- Optum Market Advantage Demo - Physician Referral Pattern Data
- Primary Care Associates | Your Medical Group Networking with Executive Leadership





TO: San Benito Health Care District Board of Directors  
FROM: Liz Sparling, Foundation Director  
DATE: October 2022  
RE: Foundation Report

The Hazel Hawkins Hospital Foundation Board of Trustees met on October 13 in the Horizon Room. We had two presentations:

- Sherry Hua, RN, MSN, Director of Nursing of HHMH D/P Skilled Nursing Facilities gave a presentation and a request for four Low Beds for the Skilled Nursing Facilities.
- Monica Hamilton, MHA, BSN, RN, CPHQ HHMH Clinical Quality Services Director, Case Management, QAPI, Accreditation & Regulatory Compliance gave a Quality Transparency Presentation.

**Financial Report for August**

|                    |              |
|--------------------|--------------|
| 1. Income          | \$ 46,333.41 |
| 2. Expenses        | \$ 67,635.93 |
| 3. New Donors      | 2            |
| 4. Total Donations | 221          |

**Approved Allocations**

1. \$35,000 for four (4) hi-low beds requested for the Skilled Nursing Facilities. (Available funds from Foundation 2021 Fundraiser)

**Directors Report**

- Mary, Barbara and I met to discuss applying for the Monterey Peninsula grant this year. It is due by Dec. 1st. A list was created and the top priority of all the equipment is a new sterilizer which costs \$123k.
- Our marketing department is revamping the hospital website and our site is included in the project. We are hopeful it can launch in the next couple months.
- Met with Sunlight Giving Foundation with Administration to discuss the \$75,000 grant they gave to us last December and she said that she will recommend us to receive funding again this year. Their Foundation funds unserved areas, health care being one of them. Their founders invented an app called: WhatsApp which is an instant messaging app on your phone. They sold the company and now have a Foundation where they gift grants.
- The Nominating Committee met Tuesday of this week. We have some great candidates that we will present to you at the next Board meeting. We have 5 Board Members terming out.

**Dinner Dance Committee**

We have been very busy in the office with the planning of our event that is taking place on November 5. We have over \$101,000 in sponsorships with 234 dinners. Very thankful for such a supportive community. Thank you to all of you that have turning in your sponsorships. If you have not, please let me know ASAP if you would like to sponsor, we are approaching our print deadline. We are looking forward to seeing you November 5<sup>th</sup>!



San Benito Health Care District  
 Hazel Hawkins Memorial Hospital  
 October 27, 2022

| Description                           | Target | Rolling 12 month September |
|---------------------------------------|--------|----------------------------|
| Overall Rating of the Hospital        | 77%    | 69.32 ↓                    |
| Likelihood to Recommend the Hospital  | 75%    | 63.79 ↓                    |
| CMS 30-Day All Cause Readmission Rate | 11%    | 12.32 ↑                    |
| Surgical Site Infections (SIR)        | 1.00   | 1.65 ↓                     |

| Description                  | Target | MTD Actual | YTD Actual | YTD Target |
|------------------------------|--------|------------|------------|------------|
| Average Daily Census - Acute | 22.23  | 17.3       | 18.53      | 20.14      |
| Average Daily Census - SNF   | 88.00  | 89.27      | 87.60      | 88.00      |
| # of Surgery Cases           | 171    | 172        | 455        | 478        |
| EBIDA %                      | 6.23%  | 2.64%      | 1.73%      | 5.07%      |
| Operating Margin             | 2.29%  | -1.61%     | -2.76%     | 1.43%      |
| Met or Exceeded Target       |        |            |            |            |
| Within 10% of Target         |        |            |            |            |
| Not Within 10%               |        |            |            |            |

Note: Proposed targets for "Overall Rating of the Hospital" and "Likelihood to Recommend the Hospital" are based on the 50th percentile of Small Hospitals < 50 Beds in the Press Ganey Database.  
 SIR = The Standardized Infection Ratio compares the actual number of Hospital Acquired Infections to the predicted number of infections. A SIR of 1 means that the actual number is equal to the predicted number.  
 SIR = July - Dec 2021 rate. SSI SIR is calculated by NHSN every 6 months.

San Benito Health Care District  
Finance Committee Minutes  
October 20, 2022 - 5:00pm

Present: Jeri Hernandez, Board President  
Bill Johnson, Board Secretary  
Mark Robinson, Vice President-Finance\Support Services  
Barbara Vogelsang, Chief Clinical Officer  
Mary Casillas, Chief Operations Officer  
Lindsey Parnell, Controller

### **CALL TO ORDER**

The meeting of the Finance Committee was called to order at 5:00pm as a hybrid virtual meeting due to the COVID-19 outbreak. Instructions to log in were posted with the agenda on the Public Notice bulletin board.

## **I. FINANCIAL STATEMENTS**

### **A. September 2022**

The Financial Statements for September 2022 were presented for review. For the month ending September 30, 2022, the District's Net Surplus (Loss) is \$68,157 compared to a budgeted Surplus (Loss) of \$574,847. The District is under budget for the month by \$506,690.

YTD as of September 30, 2022, the District's Net Surplus (Loss) is (\$126,486) compared to a budgeted Surplus (Loss) of \$1,358,669. The District is under budget YTD by \$1,485,155.

Acute discharges were 198 for the month, over budget by 25 discharges or 14%. The ADC was 17.30 compared to a budget of 22.23. The ALOS was 2.62. The acute I/P gross revenue was under budget by \$1.4 million while O/P services gross revenue was \$1.36 million or 6% over budget. ER I/P visits were 143 and ER O/P visits were under budget by 62 visits or 3%. The Rural Health Clinics treated 3,761 patients (includes 623 visits at the Diabetes Clinic) while the other clinics treated 2,549 outpatients.

Other Operating revenue exceeded budget by \$148,184 due mainly to the Magellan Health pharmacy rebate being \$129,840 over budget.

Operating Expenses were under budget by \$411,013 due mainly to variances in: Salary and Wages being under budget by \$560,731 and offsetting Registry of \$262,309.

Non-operating Revenue exceeded budget by \$7,273 due mainly to an increase in donations.

The SNFs ADC was 88.27 for the month. The Net Surplus (Loss) is \$175,179 compared to a budget of \$66,662. YTD, the SNFs are exceeding their budget by \$155,009. The ADC is budgeted to be 88 residents each month for the year.

105

Fiscal year ending June 30, 2023 is budgeted to meet or exceed all of the Cal- Mortgage 2021 bond covenant targets. They are a **1.25 DSR**, **30 days cash-on-hand** and a **1.5 current ratio**.

## II. FINANCIAL UPDATES

- A. **Finance Dashboard** – The Finance Dashboard was reviewed by the Committee in detail.
- B. **Days Cash on Hand** – The District’s actual Days Cash on Hand as of August 31, 2022 was 30.54 days. This is predominantly due to the following:
  - a. Noridian Healthcare Solutions (Medicare Intermediary) informed the District that it estimated the District was over-reimbursed by \$5.158 million for the FYE June 30, 2022,
  - b. \$4 million in claims are delayed due to contractual and processing issues with Anthem Blue Cross,
  - c. During the previous fiscal year, the District paid back loans and liabilities totaling \$10.9 million, and
  - d. Delays in distribution of over \$13 million in supplemental payments from various sources to offset the cost of providing care to the Medi-Cal population.
- C. **Chapter 9** – The Committee was presented with a legal memorandum regarding Chapter 9 for discussion as an option in the event of the District’s insolvency.

## III. CONTRACTS

- A. **890 Sunset Drive Lease agreement with K&S Market** – The District currently leases space at 890 Sunset Drive for Multispecialty Clinic services. The lease extension is effective 01/01/2023 and will extend the lease term from January 1, 2023 through December 31, 2027. Base rent during the extended lease term will increase by 4% per year for a total of \$5,073 in year 1, \$5,276 in year 2, \$5,487 in year 3, \$5,706 in year 4, and \$3,918 in year 5. Finance Committee recommends this lease extension for Board approval.
- B. **Interim CEO Agreement** – The District is working with legal counsel on an agreement and resolution that will formally name the interim CEO. These documents will be presented to the Board at the meeting on October 27, 2022.
- C. **LVN Agreement** – A resolution approving and adopting the memorandum of understanding with the California Licensed Vocational Nurses Association was presented and is included in your packet. The agreement is effective July 1, 2022 through June 30, 2026. The wage increases over the 4-year period are 3.5%, 3%, 3%, and 3%.

## IV. PHYSICIAN CONTRACTS

- A. **Robert MacArthur, M.D., Professional Services Agreement Part-time Orthopedic Clinic and Emergency Call Coverage** – The Professional Services Agreement has a proposed effective date of 10/1/2022, a 1-year term, and a 30-day termination clause. The agreement allows for up to 14 shifts per month. The base monthly compensation will be set within the 60<sup>th</sup> percentile of Fair Market Value at \$15,000 per month. The Finance Committee recommends this agreement for Board approval.

(66)

- B. **DOCS Medical Group, Inc., Professional Services Agreement Gastroenterology Coverage** – The Professional Services Agreement has a proposed effective date of 12/1/2022, a 3-year term, and a 60-day termination clause. The agreement allows for Gastroenterology clinic, up to three days per week, and emergency call coverage for 52 weeks per year. The base monthly compensation will be set within the 60<sup>th</sup> percentile of Fair Market Value at \$65,000 per month. The Finance Committee recommends this agreement for Board approval.

**ADJOURNMENT**

There being no further business, the Committee was adjourned at 6:00pm.

Respectfully submitted,



Lindsey Parnell  
Controller

**FINANCE COMMITTEE**  
**Thursday, October 20, 2022, 5:00 p.m**  
**Meeting Agenda**

Call to Order

I. Financial Reports:

- A. Financial Statements – September 2022

II. Financial Updates

- A. Finance Dashboard
- B. Days Cash on Hand
- C. Chapter 9

III. Contracts

- A. 890 Sunset Drive Lease Agreement with K&S Market, Inc. **(Action item)**
- B. Interim CEO Agreement **(Action Item)**
- C. LVN Agreement Resolution **(Action item)**

IV. Physician Contracts

- A. Robert MacArthur, M.D. – Professional Services Agreement, Part-time Orthopedic Clinic and Emergency Call Coverage **(Action item)**
- B. DOCS Medical Group, Inc. – Professional Services Agreement, Gastroenterology Coverage **(Action item)**

Adjournment



October 20, 2022

**CFO Financial Summary for the Finance Committee:**

For the month ending September 30, 2022, the District's Net Surplus (**Loss**) is \$68,157 compared to a budgeted Surplus (**Loss**) of \$574,847. The District is under budget for the month by \$506,690.

YTD as of September 30, 2022, the District's Net Surplus (**Loss**) is **(\$126,486)** compared to a budgeted Surplus (**Loss**) of \$1,358,669. The District is under budget YTD by \$1,485,155.

Acute discharges were 198 for the month, over budget by 25 discharges or 14%. The ADC was 17.30 compared to a budget of 22.23. The ALOS was 2.62. The acute I/P gross revenue was under budget by **\$1.4 million** while O/P services gross revenue was **\$1.36 million** or 6% over budget. ER I/P visits were 143 and ER O/P visits were under budget by 62 visits or 3%. The RHCs & Specialty Clinics treated 3,761 (includes 623 visits at the Diabetes Clinic) and 2,549 visits respectively.

On June 30, 2022, Noridian Healthcare Solutions (Medicare Intermediary) informed the District that it estimated the District was over reimbursed by **\$5.158 million** for the FYE June 30, 2022.

This has a negative impact on the cash flow for FYE June 30, 2023 in two ways: 1) The District made a \$491,174.26 payment towards the settlement and will pay \$441,036.22 per month for the next 11 months. 2) Noridian has reduced the reimbursement I/P and O/P rates by approximately 20% and 13% respectively. The rates should increase in January 2023.

**The District's YTD loss and cash flow shortage is due directly to the decrease in Medicare reimbursement.** Management is working toward increasing daily collections and decreasing expenses.

**Other Operating** revenue exceeded budget by **\$148,184** due mainly to the Magellan Health pharmacy rebate being \$129,840 over budget.

**Operating Expenses** were under budget by **\$411,013** due mainly to variances in: Salary and Wages being under budget by \$560,731 and offset Registry by of \$262,309.

**Non-operating Revenue** exceeded budget by **\$7,273** due mainly to an increase in donations.

The SNFs ADC was **88.27** for the month. The Net Surplus (**Loss**) is **\$175,179** compared to a budget of \$66,662. YTD, the SNFs are exceeding their budget by \$155,009. The ADC is budgeted to be 88 residents each month for the year.

The debt service ratio for the fiscal year ending June 30, 2023 is budgeted to exceed **1.25**, the days-cash-on-hand is budgeted to exceed **30.00** and the current ratio is budgeted to be less than **1.5**. The Cal-Mortgage 2021 bond covenant targets are a **1.25 DSR**, **30** days cash-on-hand and a **1.5** current ratio.

69

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED  
 HOLLISTER, CA 95023  
 FOR PERIOD 09/30/22

|                                    | -----CURRENT MONTH----- |                    |                     |                     |                      | -----YEAR-TO-DATE----- |                    |                     |                     |                      |
|------------------------------------|-------------------------|--------------------|---------------------|---------------------|----------------------|------------------------|--------------------|---------------------|---------------------|----------------------|
|                                    | ACTUAL<br>09/30/22      | BUDGET<br>09/30/22 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>09/30/21 | ACTUAL<br>09/30/22     | BUDGET<br>09/30/22 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>09/30/21 |
| GROSS PATIENT REVENUE:             |                         |                    |                     |                     |                      |                        |                    |                     |                     |                      |
| ACUTE ROUTINE REVENUE              | 4,060,175               | 4,559,859          | (499,684)           | (11)                | 3,894,686            | 12,656,096             | 12,661,664         | (5,568)             | 0                   | 11,206,477           |
| SNF ROUTINE REVENUE                | 1,989,000               | 1,980,000          | 9,000               | 1                   | 1,593,430            | 6,059,500              | 6,071,998          | (12,498)            | 0                   | 4,977,900            |
| ANCILLARY INPATIENT REVENUE        | 5,168,867               | 5,783,287          | (614,420)           | (11)                | 5,706,657            | 16,130,121             | 16,126,235         | 3,886               | 0                   | 15,649,415           |
| HOSPITALIST\PEDS I\ P REVENUE      | 166,153                 | 230,794            | (64,641)            | (28)                | 218,623              | 574,842                | 640,825            | (65,983)            | (10)                | 595,562              |
| TOTAL GROSS INPATIENT REVENUE      | 11,384,195              | 12,553,940         | (1,169,745)         | (9)                 | 11,413,396           | 35,420,559             | 35,500,722         | (80,163)            | 0                   | 32,429,354           |
| ANCILLARY OUTPATIENT REVENUE       | 22,431,490              | 21,075,128         | 1,356,362           | 6                   | 19,954,587           | 67,061,267             | 62,461,187         | 4,600,080           | 7                   | 62,684,429           |
| HOSPITALIST\PEDS O\ P REVENUE      | 59,539                  | 59,436             | 103                 | 0                   | 50,435               | 191,881                | 176,154            | 15,727              | 9                   | 159,267              |
| TOTAL GROSS OUTPATIENT REVENUE     | 22,491,029              | 21,134,564         | 1,356,465           | 6                   | 20,005,023           | 67,253,148             | 62,637,341         | 4,615,807           | 7                   | 62,843,697           |
| TOTAL GROSS PATIENT REVENUE        | 33,875,224              | 33,688,504         | 186,720             | 1                   | 31,418,418           | 102,673,707            | 98,138,063         | 4,535,644           | 5                   | 95,273,051           |
| DEDUCTIONS FROM REVENUE:           |                         |                    |                     |                     |                      |                        |                    |                     |                     |                      |
| MEDICARE CONTRACTUAL ALLOWANCES    | 9,170,686               | 8,226,357          | 944,329             | 12                  | 7,481,367            | 29,297,518             | 23,895,523         | 5,401,995           | 23                  | 22,931,316           |
| MEDI-CAL CONTRACTUAL ALLOWANCES    | 8,555,486               | 8,059,100          | 496,386             | 6                   | 8,167,399            | 25,689,832             | 23,441,126         | 2,248,706           | 10                  | 25,006,501           |
| BAD DEBT EXPENSE                   | 344,314                 | 324,633            | 19,681              | 6                   | 409,735              | 894,090                | 942,449            | (48,359)            | (5)                 | 961,519              |
| CHARITY CARE                       | 33,934                  | 74,069             | (40,135)            | (54)                | 87,614               | 105,530                | 215,022            | (109,492)           | (51)                | 243,569              |
| OTHER CONTRACTUALS AND ADJUSTMENTS | 3,846,800               | 3,985,282          | (138,482)           | (4)                 | 3,855,802            | 10,981,335             | 11,606,533         | (625,198)           | (5)                 | 11,715,895           |
| HOSPITALIST\PEDS CONTRACTUAL ALLOW | 3,803                   | 8,874              | (5,071)             | (57)                | 62,359               | 59,647                 | 25,768             | 33,879              | 132                 | 54,528               |
| TOTAL DEDUCTIONS FROM REVENUE      | 21,955,023              | 20,678,315         | 1,276,708           | 6                   | 20,064,276           | 67,027,951             | 60,126,421         | 6,901,530           | 12                  | 60,913,328           |
| NET PATIENT REVENUE                | 11,920,201              | 13,010,189         | (1,089,988)         | (8)                 | 11,354,143           | 35,645,756             | 38,011,642         | (2,365,886)         | (6)                 | 34,359,722           |
| OTHER OPERATING REVENUE            | 703,398                 | 555,214            | 148,184             | 27                  | 622,800              | 2,656,956              | 1,665,642          | 991,314             | 60                  | 1,653,033            |
| NET OPERATING REVENUE              | 12,623,599              | 13,565,403         | (941,804)           | (7)                 | 11,976,943           | 38,302,712             | 39,677,284         | (1,374,572)         | (4)                 | 36,012,756           |
| OPERATING EXPENSES:                |                         |                    |                     |                     |                      |                        |                    |                     |                     |                      |
| SALARIES & WAGES                   | 4,671,174               | 5,268,097          | (596,923)           | (11)                | 4,701,141            | 14,790,583             | 15,445,901         | (655,318)           | (4)                 | 14,123,866           |
| REGISTRY                           | 596,591                 | 310,000            | 286,591             | 92                  | 340,352              | 1,787,301              | 930,000            | 857,301             | 92                  | 964,731              |
| EMPLOYEE BENEFITS                  | 2,476,037               | 2,803,828          | (327,791)           | (12)                | 2,417,966            | 7,871,891              | 8,231,714          | (359,824)           | (4)                 | 7,694,235            |
| PROFESSIONAL FEES                  | 1,615,745               | 1,598,425          | 17,320              | 1                   | 1,447,297            | 4,556,934              | 4,901,837          | (344,903)           | (7)                 | 4,326,868            |
| SUPPLIES                           | 1,224,773               | 1,334,946          | (110,173)           | (8)                 | 1,072,994            | 3,745,258              | 3,678,363          | 66,895              | 2                   | 3,282,490            |
| PURCHASED SERVICES                 | 1,256,876               | 1,073,837          | 183,039             | 17                  | 1,058,032            | 3,756,433              | 3,293,099          | 463,334             | 14                  | 3,002,696            |
| RENTAL                             | 139,545                 | 150,161            | (10,616)            | (7)                 | 154,804              | 467,611                | 450,537            | 17,074              | 4                   | 429,355              |
| DEPRECIATION & AMORT               | 320,532                 | 327,001            | (6,469)             | (2)                 | 330,429              | 955,245                | 981,001            | (25,756)            | (3)                 | 993,082              |
| INTEREST                           | 4,460                   | 3,750              | 710                 | 19                  | 1,721                | 17,116                 | 11,250             | 5,866               | 52                  | 3,276                |
| OTHER                              | 520,897                 | 384,426            | 136,471             | 36                  | 321,311              | 1,411,148              | 1,186,658          | 224,490             | 19                  | 1,004,876            |
| TOTAL EXPENSES                     | 12,826,630              | 13,254,471         | (427,841)           | (3)                 | 11,846,048           | 39,359,519             | 39,110,360         | 249,159             | 1                   | 35,825,475           |
| NET OPERATING INCOME (LOSS)        | (203,032)               | 310,932            | (513,964)           | (165)               | 130,895              | (1,056,807)            | 566,924            | (1,623,731)         | (286)               | 187,280              |

70



HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED  
 HOLLISTER, CA 95023  
 FOR PERIOD 09/30/22

|                                       | -----CURRENT MONTH----- |                    |                     |                     |                      | -----YEAR-TO-DATE----- |                    |                     |                     |                      |
|---------------------------------------|-------------------------|--------------------|---------------------|---------------------|----------------------|------------------------|--------------------|---------------------|---------------------|----------------------|
|                                       | ACTUAL<br>09/30/22      | BUDGET<br>09/30/22 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>09/30/21 | ACTUAL<br>09/30/22     | BUDGET<br>09/30/22 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>09/30/21 |
| NON-OPERATING REVENUE\EXPENSE:        |                         |                    |                     |                     |                      |                        |                    |                     |                     |                      |
| DONATIONS                             | 9,765                   | 5,000              | 4,765               | 95                  | 0                    | 139,108                | 15,000             | 124,108             | 827                 | 6,570                |
| PROPERTY TAX REVENUE                  | 195,915                 | 194,511            | 1,404               | 1                   | 185,249              | 587,745                | 583,533            | 4,212               | 1                   | 555,747              |
| GO BOND PROP TAXES                    | 164,964                 | 164,964            | 0                   | 0                   | 160,091              | 494,893                | 494,892            | 1                   | 0                   | 480,272              |
| GO BOND INT REVENUE\EXPENSE           | (72,048)                | (72,048)           | 1                   | 0                   | (75,091)             | (216,143)              | (216,144)          | 2                   | 0                   | (225,272)            |
| OTHER NON-OPER REVENUE                | 10,255                  | 7,866              | 2,389               | 30                  | 7,876                | 38,620                 | 23,598             | 15,022              | 64                  | 23,626               |
| OTHER NON-OPER EXPENSE                | (37,664)                | (36,378)           | (1,286)             | 4                   | (42,627)             | (114,148)              | (109,134)          | (5,014)             | 5                   | (137,193)            |
| INVESTMENT INCOME                     | 0                       | 0                  | 0                   | 0                   | (2,259)              | 246                    | 0                  | 246                 | 0                   | 168                  |
| COLLABORATION CONTRIBUTIONS           | 0                       | 0                  | 0                   | 0                   | 0                    | 0                      | 0                  | 0                   | 0                   | 0                    |
| TOTAL NON-OPERATING REVENUE/(EXPENSE) | 271,188                 | 263,915            | 7,273               | 3                   | 233,239              | 930,321                | 791,745            | 138,576             | 18                  | 703,917              |
| NET SURPLUS (LOSS)                    | 68,157                  | 574,847            | (506,690)           | (88)                | 364,134              | (126,486)              | 1,358,669          | (1,485,155)         | (109)               | 891,197              |
| EBIDA                                 | \$ 333,435              | \$ 845,310         | \$ (511,875)        | (60.55)%            | \$ 652,190           | \$ 664,157             | \$ 2,170,056       | \$ (1,505,899)      | (69.39)%            | \$ 1,766,473         |
| EBIDA MARGIN                          | 2.64%                   | 6.23%              | (3.59)%             | (57.61)%            | 5.45%                | 1.73%                  | 5.47%              | (3.74)%             | (68.29)%            | 4.91%                |
| OPERATING MARGIN                      | (1.61)%                 | 2.29%              | (3.90)%             | (170.16)%           | 1.09%                | (2.76)%                | 1.43%              | (4.19)%             | (293.09)%           | 0.52%                |
| NET SURPLUS (LOSS) MARGIN             | 0.54%                   | 4.24%              | (3.70)%             | (87.25)%            | 3.04%                | (0.33)%                | 3.42%              | (3.75)%             | (109.64)%           | 2.47%                |

71

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY  
 HOLLISTER, CA 95023  
 FOR PERIOD 09/30/22

|                                     | -----CURRENT MONTH----- |                    |                     |                     |                      | -----YEAR-TO-DATE----- |                    |                     |                     |                      |
|-------------------------------------|-------------------------|--------------------|---------------------|---------------------|----------------------|------------------------|--------------------|---------------------|---------------------|----------------------|
|                                     | ACTUAL<br>09/30/22      | BUDGET<br>09/30/22 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>09/30/21 | ACTUAL<br>09/30/22     | BUDGET<br>09/30/22 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>09/30/21 |
| GROSS PATIENT REVENUE:              |                         |                    |                     |                     |                      |                        |                    |                     |                     |                      |
| ROUTINE REVENUE                     | 4,060,175               | 4,559,859          | (499,684)           | (11)                | 3,894,686            | 12,656,096             | 12,661,664         | (5,568)             | 0                   | 11,206,477           |
| ANCILLARY INPATIENT REVENUE         | 4,708,363               | 5,550,646          | (842,283)           | (15)                | 5,541,416            | 14,869,878             | 15,412,798         | (542,920)           | (4)                 | 14,859,751           |
| HOSPITALIST I/P REVENUE             | 166,153                 | 230,794            | (64,641)            | (28)                | 218,623              | 574,842                | 640,825            | (65,983)            | (10)                | 595,562              |
| TOTAL GROSS INPATIENT REVENUE       | 8,934,691               | 10,341,299         | (1,406,609)         | (14)                | 9,654,724            | 28,100,816             | 28,715,287         | (614,471)           | (2)                 | 26,661,790           |
| ANCILLARY OUTPATIENT REVENUE        | 22,431,490              | 21,075,128         | 1,356,362           | 6                   | 19,954,587           | 67,061,267             | 62,461,187         | 4,600,080           | 7                   | 62,684,429           |
| HOSPITALIST O/P REVENUE             | 59,539                  | 59,436             | 103                 | 0                   | 50,435               | 191,881                | 176,154            | 15,727              | 9                   | 159,267              |
| TOTAL GROSS OUTPATIENT REVENUE      | 22,491,029              | 21,134,564         | 1,356,465           | 6                   | 20,005,023           | 67,253,148             | 62,637,341         | 4,615,807           | 7                   | 62,843,697           |
| TOTAL GROSS ACUTE PATIENT REVENUE   | 31,425,719              | 31,475,863         | (50,144)            | 0                   | 29,659,747           | 95,353,965             | 91,352,628         | 4,001,337           | 4                   | 89,505,487           |
| DEDUCTIONS FROM REVENUE ACUTE:      |                         |                    |                     |                     |                      |                        |                    |                     |                     |                      |
| MEDICARE CONTRACTUAL ALLOWANCES     | 8,828,785               | 8,060,425          | 768,360             | 10                  | 7,358,157            | 28,516,362             | 23,386,663         | 5,129,699           | 22                  | 22,414,957           |
| MEDI-CAL CONTRACTUAL ALLOWANCES     | 8,397,490               | 7,905,576          | 491,914             | 6                   | 8,152,927            | 25,221,930             | 22,970,318         | 2,251,612           | 10                  | 24,961,551           |
| BAD DEBT EXPENSE                    | 374,954                 | 324,633            | 50,321              | 16                  | 422,645              | 887,769                | 942,449            | (54,680)            | (6)                 | 964,802              |
| CHARITY CARE                        | 33,934                  | 74,069             | (40,135)            | (54)                | 87,614               | 105,530                | 215,022            | (109,492)           | (51)                | 242,973              |
| OTHER CONTRACTUALS AND ADJUSTMENTS  | 3,805,215               | 3,941,030          | (135,815)           | (3)                 | 3,848,985            | 10,771,264             | 11,470,825         | (699,561)           | (6)                 | 11,668,296           |
| HOSPITALIST/PEDS CONTRACTUAL ALLOW  | 3,803                   | 8,874              | (5,071)             | (57)                | 62,359               | 59,647                 | 25,768             | 33,879              | 132                 | 54,528               |
| TOTAL ACUTE DEDUCTIONS FROM REVENUE | 21,444,181              | 20,314,607         | 1,129,574           | 6                   | 19,932,687           | 65,562,502             | 59,011,045         | 6,551,457           | 11                  | 60,307,107           |
| NET ACUTE PATIENT REVENUE           | 9,981,539               | 11,161,256         | (1,179,717)         | (11)                | 9,727,060            | 29,791,463             | 32,341,583         | (2,550,120)         | (8)                 | 29,198,380           |
| OTHER OPERATING REVENUE             | 703,398                 | 555,214            | 148,184             | 27                  | 622,800              | 2,656,956              | 1,665,642          | 991,314             | 60                  | 1,653,033            |
| NET ACUTE OPERATING REVENUE         | 10,684,937              | 11,716,470         | (1,031,533)         | (9)                 | 10,349,860           | 32,448,419             | 34,007,225         | (1,558,806)         | (5)                 | 30,851,414           |
| OPERATING EXPENSES:                 |                         |                    |                     |                     |                      |                        |                    |                     |                     |                      |
| SALARIES & WAGES                    | 3,756,786               | 4,317,517          | (560,731)           | (13)                | 3,823,801            | 11,980,092             | 12,530,774         | (550,682)           | (4)                 | 11,410,086           |
| REGISTRY                            | 562,309                 | 300,000            | 262,309             | 87                  | 328,610              | 1,678,139              | 900,000            | 778,139             | 87                  | 919,173              |
| EMPLOYEE BENEFITS                   | 1,953,921               | 2,231,194          | (277,273)           | (12)                | 1,908,756            | 6,211,585              | 6,475,603          | (264,018)           | (4)                 | 6,102,844            |
| PROFESSIONAL FEES                   | 1,613,535               | 1,596,181          | 17,354              | 1                   | 1,445,257            | 4,549,794              | 4,894,957          | (345,163)           | (7)                 | 4,320,748            |
| SUPPLIES                            | 1,125,278               | 1,221,574          | (96,296)            | (8)                 | 979,418              | 3,441,953              | 3,338,040          | 103,913             | 3                   | 3,007,574            |
| PURCHASED SERVICES                  | 1,140,619               | 1,010,959          | 129,660             | 13                  | 1,002,271            | 3,426,824              | 3,100,279          | 326,545             | 11                  | 2,821,753            |
| RENTAL                              | 138,526                 | 149,373            | (10,847)            | (7)                 | 153,821              | 464,577                | 448,119            | 16,458              | 4                   | 424,126              |
| DEPRECIATION & AMORT                | 280,278                 | 284,998            | (4,720)             | (2)                 | 290,290              | 835,259                | 854,994            | (19,735)            | (2)                 | 872,678              |
| INTEREST                            | 4,460                   | 3,750              | 710                 | 19                  | 1,721                | 17,116                 | 11,250             | 5,866               | 52                  | 3,276                |
| OTHER                               | 466,389                 | 337,570            | 128,819             | 38                  | 268,821              | 1,205,725              | 1,042,994          | 162,731             | 16                  | 867,286              |
| TOTAL EXPENSES                      | 11,042,103              | 11,453,116         | (411,013)           | (4)                 | 10,202,766           | 33,811,063             | 33,597,010         | 214,053             | 1                   | 30,749,544           |
| NET OPERATING INCOME (LOSS)         | (357,166)               | 263,354            | (620,520)           | (236)               | 147,094              | (1,362,644)            | 410,215            | (1,772,859)         | (432)               | 101,870              |

72

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY  
 HOLLISTER, CA 95023  
 FOR PERIOD 09/30/22

|                                       | -----CURRENT MONTH----- |                    |                     |                     |                      | -----YEAR-TO-DATE----- |                    |                     |                     |                      |
|---------------------------------------|-------------------------|--------------------|---------------------|---------------------|----------------------|------------------------|--------------------|---------------------|---------------------|----------------------|
|                                       | ACTUAL<br>09/30/22      | BUDGET<br>09/30/22 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>09/30/21 | ACTUAL<br>09/30/22     | BUDGET<br>09/30/22 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>09/30/21 |
| NON-OPERATING REVENUE\EXPENSE:        |                         |                    |                     |                     |                      |                        |                    |                     |                     |                      |
| DONATIONS                             | 9,765                   | 5,000              | 4,765               | 95                  | 0                    | 139,108                | 15,000             | 124,108             | 827                 | 6,570                |
| PROPERTY TAX REVENUE                  | 166,528                 | 167,085            | (557)               | 0                   | 159,183              | 499,584                | 501,255            | (1,671)             | 0                   | 477,549              |
| GO BOND PROP TAXES                    | 164,964                 | 164,964            | 0                   | 0                   | 160,091              | 494,893                | 494,892            | 1                   | 0                   | 480,272              |
| GO BOND INT REVENUE\EXPENSE           | (72,048)                | (72,048)           | 1                   | 0                   | (75,091)             | (216,143)              | (216,144)          | 2                   | 0                   | (225,272)            |
| OTHER NON-OPER REVENUE                | 10,255                  | 7,866              | 2,389               | 30                  | 7,876                | 38,620                 | 23,598             | 15,022              | 64                  | 23,626               |
| OTHER NON-OPER EXPENSE                | (29,321)                | (28,035)           | (1,286)             | 5                   | (33,289)             | (89,120)               | (84,105)           | (5,015)             | 6                   | (107,104)            |
| INVESTMENT INCOME                     | 0                       | 0                  | 0                   | 0                   | (2,259)              | 246                    | 0                  | 246                 | 0                   | 168                  |
| COLLABORATION CONTRIBUTIONS           | 0                       | 0                  | 0                   | 0                   | 0                    | 0                      | 0                  | 0                   | 0                   | 0                    |
| TOTAL NON-OPERATING REVENUE/(EXPENSE) | 250,144                 | 244,832            | 5,312               | 2                   | 216,511              | 867,188                | 734,496            | 132,692             | 18                  | 655,809              |
| NET SURPLUS (LOSS)                    | (107,023)               | 508,186            | (615,209)           | (121)               | 363,605              | (495,457)              | 1,144,711          | (1,640,168)         | (143)               | 757,678              |
|                                       | =====                   | =====              | =====               | =====               | =====                | =====                  | =====              | =====               | =====               | =====                |

713

HAZEL HAWKINS SKILLED NURSING FACILITIES  
HOLLISTER, CA  
FOR PERIOD 09/30/22

|                                       | -----CURRENT MONTH----- |                    |                     |                     |                      | -----YEAR-TO-DATE----- |                    |                     |                     |                      |
|---------------------------------------|-------------------------|--------------------|---------------------|---------------------|----------------------|------------------------|--------------------|---------------------|---------------------|----------------------|
|                                       | ACTUAL<br>09/30/22      | BUDGET<br>09/30/22 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>09/30/21 | ACTUAL<br>09/30/22     | BUDGET<br>09/30/22 | POS/NEG<br>VARIANCE | PERCENT<br>VARIANCE | PRIOR YR<br>09/30/21 |
| GROSS SNF PATIENT REVENUE:            |                         |                    |                     |                     |                      |                        |                    |                     |                     |                      |
| ROUTINE SNF REVENUE                   | 1,989,000               | 1,980,000          | 9,000               | 1                   | 1,593,430            | 6,059,500              | 6,071,998          | (12,498)            | 0                   | 4,977,900            |
| ANCILLARY SNF REVENUE                 | 460,504                 | 232,641            | 227,863             | 98                  | 165,242              | 1,260,242              | 713,437            | 546,805             | 77                  | 789,664              |
| TOTAL GROSS SNF PATIENT REVENUE       | <u>2,449,504</u>        | <u>2,212,641</u>   | <u>236,863</u>      | <u>11</u>           | <u>1,758,672</u>     | <u>7,319,742</u>       | <u>6,785,435</u>   | <u>534,307</u>      | <u>8</u>            | <u>5,767,564</u>     |
| DEDUCTIONS FROM REVENUE SNF:          |                         |                    |                     |                     |                      |                        |                    |                     |                     |                      |
| MEDICARE CONTRACTUAL ALLOWANCES       | 341,902                 | 165,932            | 175,970             | 106                 | 123,210              | 781,156                | 508,860            | 272,296             | 54                  | 516,360              |
| MEDI-CAL CONTRACTUAL ALLOWANCES       | 157,995                 | 153,524            | 4,471               | 3                   | 14,472               | 467,902                | 470,808            | (2,906)             | (1)                 | 44,949               |
| BAD DEBT EXPENSE                      | (30,640)                | 0                  | (30,640)            |                     | (12,910)             | 6,320                  | 0                  | 6,320               |                     | (3,283)              |
| CHARITY CARE                          | 0                       | 0                  | 0                   | 0                   | 0                    | 0                      | 0                  | 0                   | 0                   | 596                  |
| OTHER CONTRACTUALS AND ADJUSTMENTS    | 41,585                  | 44,252             | (2,667)             | (6)                 | 6,817                | 210,071                | 135,708            | 74,363              | 55                  | 47,599               |
| TOTAL SNF DEDUCTIONS FROM REVENUE     | <u>510,842</u>          | <u>363,708</u>     | <u>147,134</u>      | <u>41</u>           | <u>131,589</u>       | <u>1,465,449</u>       | <u>1,115,376</u>   | <u>350,073</u>      | <u>31</u>           | <u>606,222</u>       |
| NET SNF PATIENT REVENUE               | <u>1,938,662</u>        | <u>1,848,933</u>   | <u>89,729</u>       | <u>5</u>            | <u>1,627,083</u>     | <u>5,854,293</u>       | <u>5,670,059</u>   | <u>184,234</u>      | <u>3</u>            | <u>5,161,342</u>     |
| OTHER OPERATING REVENUE               | <u>0</u>                | <u>0</u>           | <u>0</u>            | <u>0</u>            | <u>0</u>             | <u>0</u>               | <u>0</u>           | <u>0</u>            | <u>0</u>            | <u>0</u>             |
| NET SNF OPERATING REVENUE             | <u>1,938,662</u>        | <u>1,848,933</u>   | <u>89,729</u>       | <u>5</u>            | <u>1,627,083</u>     | <u>5,854,293</u>       | <u>5,670,059</u>   | <u>184,234</u>      | <u>3</u>            | <u>5,161,342</u>     |
| OPERATING EXPENSES:                   |                         |                    |                     |                     |                      |                        |                    |                     |                     |                      |
| SALARIES & WAGES                      | 914,388                 | 950,580            | (36,192)            | (4)                 | 877,341              | 2,810,491              | 2,915,127          | (104,636)           | (4)                 | 2,713,780            |
| REGISTRY                              | 34,283                  | 10,000             | 24,283              | 243                 | 11,742               | 109,163                | 30,000             | 79,163              | 264                 | 45,557               |
| EMPLOYEE BENEFITS                     | 522,116                 | 572,634            | (50,518)            | (9)                 | 509,210              | 1,660,305              | 1,756,111          | (95,806)            | (6)                 | 1,591,391            |
| PROFESSIONAL FEES                     | 2,210                   | 2,244              | (34)                | (2)                 | 2,040                | 7,140                  | 6,880              | 260                 | 4                   | 6,120                |
| SUPPLIES                              | 99,495                  | 113,372            | (13,877)            | (12)                | 93,576               | 303,305                | 340,323            | (37,018)            | (11)                | 274,917              |
| PURCHASED SERVICES                    | 116,256                 | 62,878             | 53,378              | 85                  | 55,761               | 329,609                | 192,820            | 136,789             | 71                  | 180,942              |
| RENTAL                                | 1,018                   | 787                | 231                 | 29                  | 983                  | 3,033                  | 2,415              | 618                 | 26                  | 5,229                |
| DEPRECIATION                          | 40,254                  | 42,003             | (1,749)             | (4)                 | 40,139               | 119,987                | 126,007            | (6,021)             | (5)                 | 120,405              |
| INTEREST                              | 0                       | 0                  | 0                   | 0                   | 0                    | 0                      | 0                  | 0                   | 0                   | 0                    |
| OTHER                                 | 54,508                  | 46,856             | 7,652               | 16                  | 52,491               | 205,423                | 143,664            | 61,759              | 43                  | 137,590              |
| TOTAL EXPENSES                        | <u>1,784,527</u>        | <u>1,801,354</u>   | <u>(16,827)</u>     | <u>(1)</u>          | <u>1,643,282</u>     | <u>5,548,456</u>       | <u>5,513,347</u>   | <u>35,109</u>       | <u>1</u>            | <u>5,075,932</u>     |
| NET OPERATING INCOME (LOSS)           | <u>154,135</u>          | <u>47,579</u>      | <u>106,556</u>      | <u>224</u>          | <u>(16,199)</u>      | <u>305,837</u>         | <u>156,712</u>     | <u>149,125</u>      | <u>95</u>           | <u>85,411</u>        |
| NON-OPERATING REVENUE\EXPENSE:        |                         |                    |                     |                     |                      |                        |                    |                     |                     |                      |
| DONATIONS                             | 0                       | 0                  | 0                   | 0                   | 0                    | 0                      | 0                  | 0                   | 0                   | 0                    |
| PROPERTY TAX REVENUE                  | 29,387                  | 27,426             | 1,961               | 7                   | 26,066               | 88,161                 | 82,278             | 5,883               | 7                   | 78,198               |
| OTHER NON-OPER EXPENSE                | (8,343)                 | (8,343)            | 0                   | 0                   | (9,338)              | (25,028)               | (25,029)           | 1                   | 0                   | (30,090)             |
| TOTAL NON-OPERATING REVENUE/(EXPENSE) | <u>21,044</u>           | <u>19,083</u>      | <u>1,961</u>        | <u>10</u>           | <u>16,728</u>        | <u>63,133</u>          | <u>57,249</u>      | <u>5,884</u>        | <u>10</u>           | <u>48,109</u>        |
| NET SURPLUS (LOSS)                    | <u>175,179</u>          | <u>66,662</u>      | <u>108,517</u>      | <u>163</u>          | <u>529</u>           | <u>368,970</u>         | <u>213,961</u>     | <u>155,009</u>      | <u>72</u>           | <u>133,519</u>       |

74



San Benito Health Care District  
 Hazel Hawkins Memorial Hospital  
 SEPTEMBER 2022

| Description   | Target     | MTD Actual | YTD Actual | YTD Target |
|---|------------|------------|------------|------------|
| Average Daily Census - Acute  | 22.23      | 17.30      | 18.53      | 20.14      |
| Average Daily Census - SNF  | 88.00      | 88.27      | 87.66      | 88.00      |
| Acute Length of Stay  | 3.84       | 2.62       | 2.65       | 3.31       |
| <u>ER Visits:</u>   |            |            |            |            |
| Inpatient   | 141        | 143        | 506        | 437        |
| Outpatient  | 1,988      | 1,926      | 5,615      | 5,907      |
| Total   | 2,129      | 2,069      | 6,121      | 6,344      |
| Days in Accounts Receivable   | 45.0       | 44.3       | 44.3       | 45.0       |
| Productive Full-Time Equivalents                                    | 529.11     | 527.08     | 523.73     | 529.11     |
| Net Patient Revenue   | 13,010,189 | 11,920,201 | 35,645,756 | 38,011,642 |
| Payment-to-Charge Ratio   | 38.9%      | 35.2%      | 34.7%      | 38.9%      |
| Medicare Traditional Payor Mix                                      | 30.15%     | 28.25%     | 30.85%     | 30.03%     |
| Commercial Payor Mix  | 24.37%     | 21.23%     | 21.24%     | 24.34%     |
| Bad Debt % of Gross Revenue   | 0.96%      | 1.02%      | 0.88%      | 0.96%      |
| EBIDA   | 845,310    | 333,435    | 664,157    | 2,170,056  |
| EBIDA %   | 6.23%      | 2.64%      | 1.73%      | 5.47%      |
| Operating Margin  | 2.29%      | -1.61%     | -2.76%     | 1.43%      |
| Salaries, Wages, Registry & Benefits %:<br>by Net Operating Revenue | 61.79%     | 61.34%     | 63.83%     | 62.02%     |
| by Total Operating Expense  | 63.24%     | 60.37%     | 62.12%     | 62.92%     |
| <u>Bond Covenants:</u>  |            |            |            |            |
| Debt Service Ratio  | 1.25       | 1.42       | 1.42       | 1.25       |
| Current Ratio   | 1.50       | 1.53       | 1.53       | 1.50       |
| Days Cash on hand   | 30.00      | 17.8       | 17.8       | 30.00      |
| Met or Exceeded Target  |            |            |            |            |
| Within 10% of Target  |            |            |            |            |
| Not Within 10%  |            |            |            |            |

**Statement of Cash Flows**

**Hazel Hawkins Memorial Hospital**

**Hollister, CA**

**Three months ending September 30, 2022**

|   | CASH FLOW                  |                                   | COMMENTS  |
|---|----------------------------|-----------------------------------|---|
|   | Current Month<br>9/30/2022 | Current Year-To-Date<br>9/30/2022 |   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                      |                            |                                   |   |
| Net Income (Loss)   | \$68,157                   | (\$126,486)                       |   |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities: |                            |                                   |   |
| Depreciation  | 335,133                    | 997,741                           |   |
| (Increase)/Decrease in Net Patient Accounts Receivable                            | (347,330)                  | (528,049)                         |   |
| (Increase)/Decrease in Other Receivables  | (2,072,018)                | (3,545,992)                       |   |
| (Increase)/Decrease in Inventories  | (25,983)                   | (59,607)                          |   |
| (Increase)/Decrease in Pre-Paid Expenses  | (216,052)                  | (485,707)                         |   |
| (Increase)/Decrease in Due From Third Parties                                     | 0                          | 11,855                            |   |
| Increase/(Decrease) in Accounts Payable   | 34,519                     | (779,319)                         |   |
| Increase/(Decrease) in Notes and Loans Payable                                    | 0                          | 0                                 |   |
| Increase/(Decrease) in Accrued Payroll and Benefits                               | (2,038,687)                | (1,046,441)                       |   |
| Increase/(Decrease) in Accrued Expenses   | 7,038                      | 7,464                             |   |
| Increase/(Decrease) in Patient Refunds Payable                                    | (100)                      | (7,297)                           |   |
| Increase/(Decrease) in Third Party Advances/Liabilities                           | (392,626)                  | (1,929,529)                       |   |
| Increase/(Decrease) in Other Current Liabilities                                  | 268,071                    | 447,827                           | Semi-Annual Interest - 2021 Insured Revenue Bonds |
| <b>Net Cash Provided by Operating Activities:</b>                                 | <b>(4,448,035)</b>         | <b>(6,917,054)</b>                |   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                      |                            |                                   |   |
| Purchase of Property, Plant and Equipment   | (629,594)                  | (1,207,275)                       |   |
| (Increase)/Decrease in Limited Use Cash and Investments                           | 0                          | 0                                 |   |
| (Increase)/Decrease in Other Limited Use Assets                                   | (251,065)                  | (750,452)                         | Bond Principal & Int Payment - 2014 & 2021 Bonds  |
| (Increase)/Decrease in Other Assets   | 6,223                      | 18,669                            | Amortization                                      |
| <b>Net Cash Used by Investing Activities</b>                                      | <b>(874,436)</b>           | <b>(1,939,058)</b>                |   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                      |                            |                                   |   |
| Increase/(Decrease) in Bond/Mortgage Debt   | (6,536)                    | (17,458)                          | Refinancing of 2013 Bonds with 2021 Bonds         |
| Increase/(Decrease) in Capital Lease Debt   | (28,520)                   | (85,290)                          |   |
| Increase/(Decrease) in Other Long Term Liabilities                                | 0                          | 0                                 |   |
| <b>Net Cash Used for Financing Activities</b>                                     | <b>(35,056)</b>            | <b>(102,748)</b>                  |   |
| (INCREASE)/DECREASE IN RESTRICTED ASSETS  | 0                          | 0                                 |   |
| <b>Net Increase/(Decrease) in Cash</b>  | <b>(5,289,370)</b>         | <b>(9,085,346)</b>                |   |
| Cash, Beginning of Period   | 12,739,826                 | 16,535,802                        |   |
| <b>Cash, End of Period</b>  | <b>\$7,450,456</b>         | <b>\$7,450,456</b>                | \$0   |

Cost per day to run the District

**\$417,438**

Operational Days Cash on Hand

17.85

76

Hazel Hawkins Memorial Hospital  
 Bad Debt Expense  
 For the Year Ending June 30, 2023

|   | Jul        | Aug        | Sep        | Oct        | Nov        | Dec        | Jan        | Feb        | Mar        | Apr        | May        | Jun        | Total                      |         |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|----------------------------|---------|
| Budgeted Gross Revenue                    | 30,736,294 | 33,713,261 | 33,688,496 | 34,057,045 | 33,125,250 | 36,331,595 | 36,576,317 | 31,661,878 | 36,697,195 | 30,954,767 | 31,443,265 | 30,602,610 | 399,587,973                |         |
| Budgeted Bad Debt Expense                 | 293,579    | 324,237    | 324,633    | 327,729    | 318,825    | 351,198    | 353,536    | 305,275    | 355,128    | 296,590    | 300,820    | 293,015    | 3,844,565                  |         |
| BD Exp as a percent of Gross Revenue      | 0.96%      | 0.96%      | 0.96%      | 0.96%      | 0.96%      | 0.97%      | 0.97%      | 0.96%      | 0.97%      | 0.96%      | 0.96%      | 0.96%      | 0.96%                      |         |
| Actual Gross Revenue                      | 32,232,911 | 36,024,541 | 33,649,532 | -          | -          | -          | -          | -          | -          | -          | -          | -          | 101,906,984                |         |
| Actual Bad Debt Expense                   | 233,530    | 316,245    | 344,314    | -          | -          | -          | -          | -          | -          | -          | -          | -          | 894,089                    |         |
| BD Exp as a percent of Gross Revenue      | 0.72%      | 0.88%      | 1.02%      | #DIV/0!    | #DIV/0!    | #DIV/0!    | #DIV/0!    | #DIV/0!    | #DIV/0!    | #DIV/0!    | #DIV/0!    | #DIV/0!    | 0.88%                      |         |
| Budgeted YTD BD Exp                       | 942,449    | 0.96%      |            |            |            |            |            |            |            |            |            |            |                            |         |
| Actual YTD BD Exp                         | 894,089    | 0.88%      |            |            |            |            |            |            |            |            |            |            |                            |         |
| Amount under (over) budget                | 48,360     | 0.08%      |            |            |            |            |            |            |            |            |            |            |                            |         |
| Prior Year percent of Gross Revenue       | 0.92%      |            |            |            |            |            |            |            |            |            |            |            |                            |         |
| Percent of Decrease (Inc) from Prior Year | 4.6%       |            |            |            |            |            |            |            |            |            |            |            |                            |         |
|   |            |            |            |            |            |            |            |            |            |            |            |            | YTD Charity Exp Budget     | 215,022 |
|   |            |            |            |            |            |            |            |            |            |            |            |            | YTD Charity Exp Actual     | 105,530 |
|   |            |            |            |            |            |            |            |            |            |            |            |            | Amt under (over) budget    | 109,492 |
|   |            |            |            |            |            |            |            |            |            |            |            |            | Charity Exp % of Gross Rev | 0.10%   |



San Benito Health Care District  
 Days Cash on Hand Projection for FYE June 30, 2023  
 As of August 31, 2022

|                            | Per Day  | Annualized   | Target<br>Per Day | Annualized  |
|----------------------------|----------|--------------|-------------------|-------------|
| - Cash Collections per Day | 369,495  | 134,865,675  | 387,970           | 141,608,959 |
| - Expenses per Day         | 417,713  | 152,465,245  | 407,270           | 148,653,614 |
| Difference                 | (48,218) | (17,599,570) | (19,300)          | (7,044,655) |
| - Settlements/QIP          | 36,233   | 13,224,914   | 36,233            | 13,224,914  |
| - Anthem Blue Cross        | 15,068   | 5,500,000    | 15,068            | 5,500,000   |
| Totals                     | 3,083    | 1,125,344    | 32,001            | 11,680,259  |
| Cash, Beginning of Period  | 30.54    | 12,757,705   | 30.54             | 12,757,705  |
| Cash, End of Period        | 33.24    | 13,883,049   | 60.00             | 24,437,964  |



**FIFTH AMENDMENT TO LEASE**

THIS FIFTH AMENDMENT TO LEASE ("Fifth Amendment") is made and entered into by and between K&S Market, Inc., a California Corporation, (hereinafter "Landlord"), and San Benito Health Care District, a Public Agency (hereinafter "Tenant"). From time to time herein, Landlord and Tenant are referred to as "Parties" to this Fifth Amendment.

**RECITALS**

A. WHEREAS, the Parties executed that certain lease by and between Landlord and Tenant, effective November 20, 2012, for the premises located at 890 Sunset Drive, Suite A-2A, Hollister, California (hereinafter, the "Original Lease");

B. WHEREAS, the Parties executed that certain Addendum No. 1 and Lease Addendum "2" by and between Landlord and Tenant, effective November 20, 2012 (hereinafter, the "First Amendment" and the "Second Amendment, respectively);

C. WHEREAS, the Parties executed that certain Addendum No. 3 by and between Landlord and Tenant, effective December 4, 2012 (hereinafter, the "Third Amendment") and the Fourth Amendment to Lease by and between Landlord and Tenant, effective December 11, 2017 (hereinafter, the "Fourth Amendment");

D. WHEREAS, the Original Lease and the First Amendment, Second Amendment, Third Amendment and Fourth Amendment are collectively, the "Lease"; and,

E. WHEREAS, the Parties now desire to amend the terms and conditions of the Lease, as more fully set forth herein,

NOW, THEREFORE, the Parties hereto, incorporating the above Recitals as part of this Fifth Amendment, and in consideration of the mutual covenants, terms and conditions contained herein, do hereby agree as follows:

**AGREEMENT**

1. **EXTENSION OF LEASE.** Pursuant to the Lease, the term is scheduled to expire on December 31, 2022. Landlord and Tenant hereby agree to extend the term of the Lease for a period of five (5) years, commencing on January 1, 2023 and ending on December 31, 2027, on the terms and conditions set forth in the Lease, as hereby amended by this Fifth Amendment, unless sooner terminated as provided in the Lease. The period of time commencing on January 1, 2023, and ending on December 31, 2027, shall be referred to herein as the "Extended Term."

2. **EXTENDED TERM RENT.** Monthly rent shall be paid by Tenant to Landlord in the following sums for each year of the Extended Term of this Lease:

|  |                      |
|--|----------------------|
| January 1, 2023 through December 31, 2023: | \$5,073.00 per month |
| January 1, 2024 through December 31, 2024: | \$5,276.00 per month |
| January 1, 2025 through December 31, 2025: | \$5,487.00 per month |
| January 1, 2026 through December 31, 2026: | \$5,706.00 per month |
| January 1, 2027 through December 31, 2027: | \$5,934.00 per month |

Such rent shall be paid, in advance, commencing on the first date of the Extended Term of this Lease and continuing on the same date of each month thereafter. All rent shall be paid to Landlord or Landlord's authorized agent at the following address: A.G. Davi Ltd., 484 Washington Street, Suite D, Monterey, CA 93940, or at such other places as may be designated by Landlord from time to time, and shall be paid in lawful money of the United States of America without deduction, offset, prior notice, or demand. In the event rent is not paid within five (5) days after the day in which it is due, Tenant agrees to pay a late charge equal to ten percent (10%) of the total rent due. Tenant further agrees to pay \$50.00 for each dishonored bank check.

3. CONFIRMATION OF REMAINING PROVISIONS. In all other respects, the terms and conditions of the Lease are hereby ratified and confirmed.

4. INDEPENDENT LEGAL COUNSEL. Tenant acknowledges that it has been urged to seek independent legal counsel with respect to the meaning and effect of this Fifth Amendment.

IN WITNESS WHEREOF, the Parties have executed and delivered this Fifth Amendment as of the \_\_\_\_\_ day of \_\_\_\_\_, 2022, at Hollister, California.

"LANDLORD"

K&S MARKET, INC.  
a California Corporation

"TENANT"

SAN BENITO HEALTH CARE DISTRICT  
a Public Agency

By: \_\_\_\_\_  
Susan K. Rivera, Vice-President

By: \_\_\_\_\_  
Steven Hannah, CEO

**EMPLOYMENT AGREEMENT**  
**(Interim Chief Executive Officer)**

This Employment Agreement (“Agreement”) is made and entered into effective October \_\_, 2020 (“Effective Date”), by and between San Benito Health Care District, a local health care district operating pursuant to Division 23 of the California Health and Safety Code (“SBHCD”), and Mary Casillas (“Employee”).

**RECITALS**

- A. SBHCD provides inpatient and outpatient health care services to residents of the San Benito Health Care District and surrounding communities through Hazel Hawkins Memorial Hospital, a licensed general acute care facility located in Hollister, California (“Hospital”), William and Inez Mabie Skilled Nursing Facility and Mabie Northside Skilled Nursing Facility, skilled nursing facilities located in Hollister, California (“SNF Facilities”), and rural health clinics operated under the name “Hazel Hawkins Community Health Clinic,” (collectively, “Healthcare Facilities”).
- B. Pursuant to California Health and Safety Code (“Local Health Care District Law”) sections 32121.5 and 32121.6 and California Government Code section 53260, SBHCD may enter into a contract of employment with a hospital administrator under terms set forth in Local Health Care District Law and the California Government Code.
- C. On \_\_\_\_\_, SBHCD hired Employee as Chief Operating Officer, and Employee has served in that position since that time.
- D. Due to a present vacancy in the office of Chief Executive Officer, SBHCD desires to have Employee perform additional responsibilities by acting as its Interim Chief Executive Officer on a temporary basis, and Employee desires to accept the additional responsibilities of Interim Chief Executive Officer on a temporary basis, pursuant to the terms and conditions of employment set forth in this Agreement.

The Parties agree as follows:

**1. TERM OF INTERIM POSITION**

1.1 Term of Agreement. SBHCD engages Employee to serve as its Interim Chief Executive Officer and Employee agrees to serve in this capacity commencing on the Effective Date of this Agreement and continuing until terminated by SBHCD or Employee pursuant to the terms of this Agreement.

1.2 Employee’s Start Date. Employee’s duties, responsibilities, and services under this Agreement, their presence on-site at SBHCD, and their compensation and benefits under this Agreement shall commence on their “Start Date” which shall occur on or before \_\_\_\_\_, 2022.

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1.3 SBHCD or Employee may terminate the position of Interim Chief Executive Officer at any time, and for any reason. At such time, and unless Employee is terminated for cause, Employee shall resume the position and duties of Chief Operating Officer, with the ~~associated~~ compensation she receives as of the Effective Date of this Agreement.

## **2. DUTIES OF EMPLOYEE**

### **2.1 Description of Services as Interim Chief Executive Officer.**

2.1.1 **Obligations to SBHCD.** Except as otherwise specified in this Agreement, Employee shall devote all their business time, attention, skill, efforts, and loyalty to the faithful performance of their duties under this Agreement, including activities and services related to the organization, operation and management of SBHCD and its Healthcare Facilities. Employee further agrees to perform such services diligently, for the best interest of SBHCD and in a manner consistent with the standards customarily applicable to persons rendering similar services. However, the expenditure of reasonable amounts of time, for which Employee shall not be compensated by SBHCD, for educational, charitable, or professional activities shall not be deemed a breach of this Agreement if those activities do not interfere with the services required of Employee.

2.1.2 **SBHCD Policies.** Employee shall remain subject to and agrees to adhere to all SBHCD policies, including, but not limited to, all policies relating to standards of conduct, conflicts of interest and compliance with SBHCD rules and obligations. The written rules, policies, practices and procedures of SBHCD shall be binding on Employee unless superseded by or in conflict with this Agreement, in which case this Agreement shall govern.

2.1.3 **Fiduciary Duties.** Employee acknowledges and understands that by entering into this Agreement, they undertake a fiduciary relationship with SBHCD and, as such, is under a fiduciary obligation to use due care and act in the best interest of SBHCD at all times.

2.1.4 **No Conflicting Obligations.** Employee represents and warrants to SBHCD that they are under no obligations or commitments inconsistent with their obligations under this Agreement. At no time during the employment of Employee shall they own or have any beneficial interest in, or have any relationship with, any company, business or interest where to do so will or may conflict with the full and faithful performance of their duties, specifically including and without being limited to, any persons or entities which do business with SBHCD and/or which perform services in competition with SBHCD. Nothing in this section shall be construed to prevent Employee from investing their assets in any form or manner which does not require any services on the part of Employee in the operation of the affairs of the companies in which such investments are made.

### **2.2 Specific Duties/Responsibilities.**

2.2.1 Employee shall do and perform all services, acts or things necessary or advisable to manage and conduct the affairs of SBHCD and its Healthcare Facilities as permitted under Local Health Care District Law. In addition, Employee shall perform the normal and

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customary duties and responsibilities of the Interim Chief Executive Officer, including, but not limited to, those duties and responsibilities set forth in the Chief Executive Officer Job Description attached to this Agreement as Exhibit A and incorporated into this Agreement by this reference.

2.2.2 Employee shall report and be accountable to the SBHCD Board of Directors (“Board”), a California local health care district.

2.2.3 The Parties understand and agree that Employee is not authorized (i) to enter into any financing or loan agreements, (ii) to contract for or agree to any encumbrances on SBHCD property (real, tangible or intangible), or (iii) to exceed any procurement authority as specified in SBHCD policies without specific prior written approval of the SBHCD Board.

2.2.4 Oversee and manage, consistent with SBHCD Board directives and policies, developing, establishing and implementing operational plans, policies and procedures in accordance with accepted and applicable laws and regulations.

2.2.5 Ensure compliance with governmental regulations and SBHCD policies, procedures and contracts. Attend local, state and national meetings to remain current with industry and regulatory trends.

2.2.6 Oversee and manage preparation of fiscal and budgetary reports of SBHCD operations. Prepare operating and capital budgets with data to support all budget requests. Implement necessary cost controls wherever possible to stay within budgetary or other limitations of SBHCD policy.

2.2.7 Employee shall perform such other duties and responsibilities as included in the job description for Chief Executive Officer and as the SBHCD Board may assign to Employee.

2.3 Any amendment of this Agreement shall be in writing, approved by the SBHCD Board of Directors, and executed by both parties.

### **3. COMPENSATION AND BENEFITS**

3.1 **Compensation and Benefits**. In consideration of the duties, responsibilities, services and covenants set forth in this Agreement, SBHCD shall provide the following compensation and benefits to Employee:

3.1.1 **Salary**. Commencing on Employee’s Start Date, SBHCD agrees to pay Employee an additional 15% of her ~~current her~~ annual salary as Chief Operating Officer as of the Effective Date of this Agreement, in addition to the salary she ~~currently~~ receives in the position of Chief Operating Officer per year as of the Effective Date of this Agreement. This salary shall be, subject to payroll deductions and withholdings required by law or authorized by Employee, and payable to Employee in accordance with SBHCD standard payroll schedule and practices. Employee shall be eligible to receive adjustments in their compensation, if any, as determined by the SBHCD Board in its sole discretion.

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3.1.2 Other Benefits and Eligibility. During the term of this Agreement, Employee shall maintain all such other benefits received in the position of Chief Operating Officer.

3.2 Termination for Cause. SBHCD may terminate this Agreement at any time “for cause” effective immediately upon written notice to Employee. For purposes of this Agreement, “for cause” is defined to include any of the following:

3.2.1 Willful breach of SBHCD policies or of the duties/obligations of the Chief Executive Officer;

3.2.2 Neglect of duties or obligations required of the Interim Chief Executive Officer;

3.2.3 Violation of written rules and policies of SBHCD;

3.2.4 Failure to adequately monitor, oversee and implement the compliance program for SBHCD;

3.2.5 Commission of any felony while employed as Interim Chief Executive Officer of SBHCD;

3.2.6 Commission of any dishonest act in a public or private capacity, such as misappropriation or embezzlement of funds, theft, or fraud; or

3.2.7 Engagement in acts of disruption or violence or any other activity which would constitute grounds for immediate dismissal of any employee by SBHCD under existing policies or as may be subsequently enacted.

Upon termination for cause, Employee will be compensated for services rendered up to the effective date of termination of Employee’s employment with SBHCD.

#### **4. CONFIDENTIAL INFORMATION**

4.1 Confidential Information. Employee acknowledges that, although much of SBHCD’s information is subject to disclosure under The Ralph M. Brown Act and the California Public Records Act, certain information is not subject to disclosure and is confidential. “Confidential Information” as defined below relating to SBHCD to which Employee will have access as a result of employment is proprietary to and the property of SBHCD. “Confidential Information” shall mean all information, whatever its nature and form obtained by Employee during or as a result of employment by SBHCD and is information that is not available to the public. “Confidential Information” includes all personnel, medical or similar records, closed session discussions, attorney and litigation consultations, trade secrets information, and business and customer information, including, but not limited to, marketing objectives and strategies, donor information, personnel information, financial information, Board activities, financial projections, planned product or services offerings, advertising and promotional materials, forms, client and customer information, data prepared for, stored in, processed by or obtained from an

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automated information system belonging to or in the possession of SBHCD and all information that constitutes a trade secret under applicable law.

4.2 Use and Return of Confidential Information. Employee agrees not to disclose or use any such Confidential Information, except as necessary to serve SBHCD's legitimate purposes or as required by law. Employee agrees to return all documentation, correspondence and any other SBHCD data or property, whether maintained in tangible or intangible form, upon termination of their employment. Employee's obligations under this Section 5 shall survive termination of their employment for any reason.

## **5. DISPUTE RESOLUTION**

5.1 Arbitration. This arbitration provision is governed by the Federal Arbitration Act, 9 U.S.C. § 1, et seq. and evidences a transaction involving commerce. It shall not apply to any claims within the sole jurisdiction of the Workers' Compensation Appeals Board.

5.1.1 This arbitration provision applies to any dispute arising out of or related to Employee's employment with SBHCD or termination of employment. Nothing contained in this arbitration provision shall be construed to prevent or excuse Employee from utilizing SBHCD's existing internal procedures for resolution of complaints, and this arbitration provision is not intended to be a substitute for the utilization of such procedures. Except as it otherwise provides, this arbitration provision is intended to apply to the resolution of disputes that otherwise would be resolved in a court of law, and therefore this arbitration provision requires all such disputes to be resolved only by an arbitrator through final and binding arbitration and not by way of court or jury trial. Such disputes include, without limitation, disputes arising out of or relating to interpretation or application of this arbitration provision, but not as to the enforceability, revocability or validity of the arbitration provision or any portion of the arbitration provision. This arbitration provision applies, without limitation, to disputes, whether brought individually or in a representative capacity, regarding the employment relationship, trade secrets, unfair competition, compensation, termination, or harassment and claims arising under the Uniform Trade Secrets Act, Civil Rights Act of 1964, Americans with Disabilities Act, Age Discrimination in Employment Act, Family Medical Leave Act, Fair Labor Standards Act, Employee Retirement Income Security Act, and state statutes, if any, addressing the same or similar subject matters, and all other state statutory and common law claims (excluding workers' compensation, state disability insurance and unemployment insurance claims). Claims may be brought before an administrative agency, but only to the extent applicable law permits access to such an agency notwithstanding the existence of an arbitration provision to arbitrate. Such administrative claims include those brought before the Equal Employment Opportunity Commission, U.S. Department of Labor, or Office of Federal Contract Compliance Programs. Nothing in this arbitration provision shall be deemed to preclude or excuse a party from bringing an administrative claim before any agency in order to fulfill the party's obligation to exhaust administrative remedies before making a claim in arbitration.

5.1.2 A neutral arbitrator shall be selected by mutual agreement of the Parties from JAMS, the American Arbitration Association, or the California State Mediation and Conciliation Service unless the parties agree in writing to the selection of an arbitrator from another recognized arbitration service. The location of the arbitration proceeding shall be in San

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Benito County, California, unless each party agrees in writing otherwise. If for any reason the parties cannot agree to an arbitrator, either party may apply to a court of competent jurisdiction for appointment of a neutral arbitrator. The court shall then appoint a retired judge to act as the arbitrator, and the appointed arbitrator shall act under this Arbitration provision with the same force and effect as if the parties had selected the arbitrator by mutual arbitration provision.

5.1.3 A demand for arbitration must be in writing and delivered by hand or first-class mail to the other party at the address indicated in Section 7.1 within the applicable statute of limitations period. The arbitrator shall resolve all disputes regarding the timeliness or propriety of the demand for arbitration. In arbitration, the parties will have the right to conduct civil discovery, bring motions, and present witnesses and evidence as provided by the forum state's procedural rules.

5.1.4 Each party will pay the fees for their, or its own attorneys, subject to any remedies to which that party may later be entitled under applicable law. However, in all cases where required by law, SBHCD will pay the Arbitrator's and arbitration fees. If under applicable law SBHCD is not required to pay all of the Arbitrator's and/or arbitration fees, such fee(s) will be apportioned between the parties by the Arbitrator in accordance with said applicable law.

5.1.5 Within thirty (30) days of the close of the arbitration hearing, any party will have the right to prepare, serve on the other party and file with the Arbitrator a brief. The Arbitrator may award any party any remedy to which that party is entitled under applicable law, but such remedies shall be limited to those that would be available to a party in a court of law for the claims presented to and decided by the Arbitrator. The Arbitrator will issue a decision or award in writing, stating the essential findings of fact and conclusions of law. Except as may be permitted or required by law, neither a party nor an Arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all parties. A court of competent jurisdiction shall have the authority to enter a judgment upon the award made pursuant to the arbitration. The Arbitrator shall not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected on appeal to a court of competent jurisdiction for any such error.

5.1.6 Employee acknowledges and understands that they have a right to consult with counsel of their choice concerning this arbitration provision.

5.1.7 This Section 6 is the full and complete arbitration provision relating to the formal resolution of employment-related disputes. Should any portion of this Section 6 be deemed unenforceable, the remainder of this arbitration provision will be enforceable.

## **6. GENERAL PROVISIONS**

6.1 Notice. Notices and other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by overnight courier, U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Employee, mailed notices shall be addressed to Employee at the home address which he most recently communicated to SBHCD in writing. In the case of

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SBHCD, mailed notices shall be addressed to the Board President, San Benito Health Care District, 911 Sunset Drive, Hollister, California 95023.

6.2 Modifications and Waivers. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Employee and by the President of the SBHCD Board of Directors. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

6.3 Applicable Law. This Agreement shall be construed in accordance with and governed by California law, with the exception of Section 6.1, Arbitration, which shall be governed by the Federal Arbitration Act. Venue shall be in San Benito County, California.

6.4 Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

6.5 Assignment. This Agreement and all rights and obligations of Employee under this Agreement are personal to Employee and may not be transferred or assigned by Employee at any time. SBHCD may assign its rights and obligations under this Agreement to another entity in connection with any sale or transfer of all or a substantial portion of SBHCD's assets to such entity. Should SBHCD assign this Agreement to another entity pursuant to this section, such successor entity shall assume all SBHCD's obligations and responsibilities under this Agreement.

6.6 Construction of Agreement. This Agreement is the result of negotiation by and between the parties. This Agreement shall be interpreted in accordance with the plain meaning of its terms and not strictly for or against either party. Employee represents and agrees that he has reviewed all aspects of this Agreement, has carefully read and fully understands all provisions of this Agreement, and is voluntarily entering into this Agreement.

6.7 Entire Agreement. This Agreement, including Exhibit A, constitutes the entire agreement between the Parties with respect to the subject matters of this Agreement and, upon its effectiveness, supersedes all prior agreements, understandings and arrangements, both oral and written, between Employee and SBHCD with respect to such subject matters covered. No representation, promise, or inducement has been made by either party that is not embodied in this Agreement, and neither Employee nor SBHCD shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

Each of the parties has executed this Agreement to be effective as of the Effective Date first set forth above.

SBHCD  
SAN BENITO HEAL CARE DISTRICT

EMPLOYEE  
MARY CASILLAS

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By: \_\_\_\_\_  
Name, Board President Mary Casillas

Dated: \_\_\_\_\_ Dated: \_\_\_\_\_

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**EXHIBIT A**  
**INTERIM CHIEF EXECUTIVE OFFICER JOB DESCRIPTION**

**Job Summary**

Overall responsibility for the leadership and administration of the San Benito Health Care District in order to carry out the mission, purpose and objectives necessary to maintain a hospital environment conducive to quality care and participation in promotion of community health. Ensures programs, policies and general directives of the Board of Directors are carried out in addition to ensuring federal, state and district laws and regulations and standards of accreditation are maintained. Coordinates activities of Medical Staff with those of other departments.

**Duties And Responsibilities**

Demonstrates Competency in the Following Areas:

1. Interviews, hires, orients, disciplines and evaluates leadership staff in compliance with EEO laws and other regulations in order to ensure continuity in the delivery of quality patient care and service.
2. Ensures that all physical properties are kept in a good state of repair and operation condition so as to continue to provide proper patient care and maintain a safe working environment.
3. Remains aware of and responsive to legislative and regulatory issues impacting healthcare in order to provide timely and accurate information and recommendations to the Board of Directors regarding current trends, opportunities and challenges in healthcare to help facilitate proper planning and policy making.
4. Responsible for the overall planning and coordination of successful JCAHO accreditation process, as well as regulatory and statutory Standards, including Title 22, Medicare and Medi-Cal regulations.
5. Ensures a yearly budget for control of expenditures is prepared, based on past experience, knowledge of market trends, and other financial considerations, while maintaining the highest possible level of care at the most reasonable cost.
6. Ensures a monthly report for the Board of Directors and Medical Staff reflecting various phases of the healthcare system operation and its financial condition.
7. Monitors budget and fiscal reports on a continuing basis and initiates appropriate modifications as needed.
8. Interprets and transmits policies to the governing board, to the medical staff and to personnel. Ensures compliance with policies.
9. Through exemplary leadership initiates, develops and implements programs, policies and procedures to fulfill the stated purposes and mission of San Benito Healthcare District and the policies of the Board of Directors.
10. Provide strategic, enthusiastic, and visionary leadership which results in a dynamic organization that is responsive to the needs of the community.
11. Responsible for (in conjunction with the Chief Financial Officer) preparing the annual Operating, Capital and Facilities Budgets and submitting the annual budgets to the Board of Directors.

12. Responsible for operating within the annual budgets as adopted by the Board of Directors.

13. Responsible for retaining Joint Commission accreditation and state licensure, as well as meeting requirements of all governmental health programs in which the District participates.

14. Responsible for the business affairs of each entity and service to ensure funds are collected and expended to the best possible advantage and within the provision of the annual budgets.

15. Reports performance of the Hospital to the Board of Directors.

16. Provides positive public relations for the District through involvement in various health or District related activities. Attends meetings of professional, community, civic, and service organization as a representative of San Benito Healthcare District.

17. Initiates new revenue producing programs or services as approved by the Board of Directors.

18. Responsible for the development and implementation of the District's strategic plan.

19. Provides liaison between the Medical Staff, Board of Directors and employees of San Benito Healthcare District.

20. Organizes the administrative functions of the District. Delegates duties and establishes formal means of accountability on the part of line management. Creates an organization that embraces the concepts of shared governance and collaborative care. Such organization shall be responsive in a timely manner to the needs of all consumers of services, be they patients, physicians, employee or members of the community.

21. Maintains the physical properties in a good state of repair and operating condition. Recommends to the Board of Directors improvement of District facilities, including construction or renovation of structures and the purchase of new capital items, keeping in mind the community's needs and the district's resources.

22. The CEO will mentor and facilitate professional development of direct reports.

23. Ensures system-wide compliance with safety and security policies, procedures and practices in order to achieve and maintain a safe, efficient, productive and cost-effective work environment.

24. Effectively communicates patient-related information to the health care team.

25. Maintains courteous and professional relationships with patient, family, public, staff and physicians. Always introduces self to others.

26. Displays an attitude of acceptance of various cultures.

27. Advises appropriate persons of situations requiring follow-up attention.

28. Communicates in a positive manner with consumers via telephone.

29. Conducts all written contacts professionally (i.e. writes clear concise memos, letter, and or reports).

30. Accepts and responds professionally to constructive criticism.

31. Interacts in a way that increases the likelihood that an agreement can be reached during a conflict.

32. Participates in orientation of new employees.

33. Self- motivates to supervise and perform department tasks as needed.

|

34. Keeps current with applicable laws and San Benito Health Care District policy.

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**Board of Directors Contract Review Worksheet**

*Agreement for Professional Services with **Robert MacArthur, M.D.***

**Executive Summary:** With a decrease in available orthopedic providers for clinic and emergency call coverage, Dr. MacArthur will assume part-time/locum tenens clinic and emergency call coverage beginning October 2022.

**Recommended Board Motion:** It is recommended the hospital Board approve an Agreement for Professional Services with Dr. Robert MacArthur at the rate of \$2,500 per shift.

**Services Provided:** Part-time/locum tenens orthopedic clinic & emergency call coverage up to 14 shifts per month.

**Agreement Terms:**

| <b>Contract Term</b> | <b>Effective Date</b> | <b>FMV %ile</b> | <b>Base Monthly Cost</b>                 | <b>Estimated Annual Cost</b>              | <b>Term clause</b> |
|----------------------|-----------------------|-----------------|--|---|--------------------|
| 1 year               | 10/1/2022             | 60th            | \$15,000 + travel<br>(flight/rental car) | \$180,000 + travel<br>(flight/rental car) | 30 days            |

**Contract Rate:** \$2,500 per shift + reimbursement of travel (*flight/rental car*) expenses.

**AGREEMENT FOR  
PROFESSIONAL SERVICES**

This Agreement ("Agreement") is made and entered into effective **October 1, 2022** ("Effective Date"), by and between **San Benito Health Care District**, a local health care district organized and operating pursuant to Division 23 of the California Health and Safety Code ("SBHCD"), and **Robert J. MacArthur, M.D.** ("Physician"). SBHCD and Physician are collectively referred to as the "Parties" and individually as a "Party."

**RECITALS**

- A. SBHCD is a California local health care district that owns and operates health care facilities in San Benito County, California, providing inpatient, outpatient, and other health care services to residents of its service area.
- B. SBHCD owns and operates Hazel Hawkins Memorial Hospital, a general acute care facility ("Hospital"), and multispecialty community medical clinics ("Clinics").
- C. Physician is duly licensed to practice medicine in the State of California and is qualified to provide professional services in his specialty of orthopedics in an inpatient hospital and outpatient clinic setting.
- D. SBHCD desires that Physician provide inpatient services including surgery ("Hospital Services"), on-call coverage in the Hospital's emergency department ("Emergency Department Call Coverage Services") and clinic-based professional services ("Clinic Services") (collectively "Specialty Services"), and Physician is prepared to do so in accordance with the terms and conditions set forth in this Agreement.

The Parties agree as follows:

**I. SERVICES**

- 1.1 **Professional Services.** Physician shall be available to provide Hospital, Emergency Department Call Coverage, and Clinic Services, beginning on the Effective Date of this Agreement. Physician shall provide such services on a part-time basis as mutually agreed upon, based upon Physician's availability and SBHCD's needs.

Effective December 1, 2022, Physician shall be available to provide Hospital, Emergency Department Call Coverage, and Clinic Services on a part-time basis up to fourteen (14) days per month on a schedule mutually agreed upon.

- 1.2 **Hospital Services.** Physician shall provide the following Hospital Services:

- 1.2.1 Participation in multi-disciplinary rounds as requested and in coordination with other physicians providing services in Physician's specialty. During the multi-disciplinary rounds, Physician will assist in the evaluation and management of patients, and when necessary, may intervene in the care of patients. Physician shall report information in a timely manner to the attending physician.



- 1.2.2 Consultations, upon request, to members of the Hospital's Medical Staff managing their own patients or concerning the application of the admission or discharge criteria or the admission or discharge of Physician's patients.
  - 1.2.3 Assistance with the management and treatment of patients for whom Physician is responsible as part of a multi-disciplinary team. When the patient has an attending/referring physician, Physician shall include such physician in decision-making and keep such physician informed.
- 1.3 **Clinic Services.** Physician shall provide the following Clinic Services:
- 1.3.1 Render evaluation, management, surgical and non-surgical services to orthopedic patients.
  - 1.3.2 Coordination of medical activities of the Clinic to be accomplished through continuous communication with appropriate SBHCD administrative personnel regarding matters relating to the orthopedic medical administration of the Clinics.
  - 1.3.3 Provide chart review and audits of appropriate mid-level practitioner staff, as needed.
- 1.4 **Hospital Emergency Department Call Coverage Services.** Physician shall provide Emergency Department Call Coverage Services on schedules mutually agreed upon by SBHCD and Physician. Physician shall provide Emergency Department Call Coverage Services under the compensation arrangements set forth in Section 5.1 and Exhibit B of this Agreement and shall not be eligible to receive separate on-call stipend payments provided to Medical Staff members or otherwise. During the hours when Physician is on call, Physician must be reachable within ten (10) minutes by telephone or pager, and Physician must respond to the Hospital within thirty (30) minutes.
- 1.5 **Additional Services**
- 1.5.1 **Communication with Referring Physicians.** When furnishing care to patients upon the referral by another physician, Physician shall provide the referring physician with appropriate follow-up oral reports and updates on the patient's course of treatment and condition in a manner and frequency consistent with the patient's condition. When Physician discharges any patient referred by another physician, Physician shall provide the referring physician with Physician's recommendations concerning appropriate patient follow-up care if Physician will no longer be following the patient.
  - 1.5.2 **Communication.** Physician shall maintain an effective communication process to interface with patients, patients' attending and specialist physicians, staff at the Hospital, Clinic, and the public, with the goal of enhancing patient satisfaction and the quality of care.
- 1.6 **Non-Exclusivity.** This Agreement is not exclusive to either SBHCD or Physician.

## **II. SBHCD RESPONSIBILITIES**

- 2.1 **General.** SBHCD shall provide the space, furniture, equipment, supplies, personnel, and services that SBHCD deems reasonably necessary for the provision of services under this Agreement. Physician shall use such space, items, and services only for the performance of the services required by this Agreement
- 2.2 **Non-Physician Personnel.** SBHCD shall be solely responsible for all salaries, other compensation, employer's payroll taxes, workers' compensation coverage, and fringe benefits, for SBHCD

employed non-physician personnel associated with the provision of services and administrative services under this Agreement. SBHCD retains full authority to employ, appoint, discipline, transfer and terminate such non-physician personnel.

- 2.3 **Management.** SBHCD shall, at all times, retain and exercise ultimate responsibility for and management and operation of the Hospital and the Clinics.
- 2.4 **SBHCD Authority.** SBHCD expressly retains administrative responsibility for the services rendered by Physician, and the authority to make decisions regarding the quality or appropriateness of services provided by Physician, in accordance with its policies and procedures, its quality assurance and peer review procedures and Medical Staff Bylaws, as and to the extent required by laws and regulations. However, SBHCD shall not interfere with or control Physician's exercise of medical judgment.

### **III. LICENSURE AND STANDARDS**

- 3.1 **Requirements.** During the term of this Agreement Physician shall:
- 3.1.1 Be duly licensed to practice medicine in the State of California;
- 3.1.2 Be an active member in good standing of the Hospital's Medical Staff, with appropriate clinical privileges in Physician's specialty;
- 3.1.3 Provide services that meet or exceed the community standard of care;
- 3.1.4 Be a participating physician under the Medicare and Medi-Cal programs and have executed and maintain on file with the appropriate Medicare and Medi-Cal carriers valid agreements to accept assignment and be qualified for Medicare risk- and cost-based managed care plans; and
- 3.1.5 Possess current unrestricted federal and state permits to prescribe medications, including controlled substances.

### **IV. BILLING AND ASSIGNMENT OF REVENUE**

- 4.1 **Billing and Collection.** SBHCD shall arrange for a third-party to perform billing and collection services under this Agreement. Physician shall cooperate with SBHCD's designated billing and collections agent and shall use best efforts to assist with the billing and collection for services in a diligent, timely, competent, effective, lawful, and commercially reasonable manner, maximizing the revenue to which Physician is legally and ethically entitled. Physician understands and agrees that Physician's professional services likely will be billed under the rules relating to locums.
- 4.2 **Assignment of Professional Service Revenues.** Physician hereby assigns to SBHCD the right to all revenue from all patients, third-party payors, and governmental programs for all services rendered by Physician at the Hospital and the Clinic under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Physician services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 302.7.

### **V. COMPENSATION**

- 5.1 **Compensation to Physician.** SBHCD shall compensate Physician for Physician's services in accordance with **Exhibit B** attached to this Agreement. The compensation is in consideration for, and

it shall cover all of Physician's professional services as set forth in this Agreement. SBHCD shall pay Physician on a monthly basis 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.

## **VI. TERM AND TERMINATION**

- 6.1 **Term.** The term of this Agreement shall commence on the Effective Date and continue for a period of one (1) year, unless earlier terminated pursuant to the terms of this Agreement.
- 6.2 **Termination without Cause.** Either party may terminate this Agreement at any time without stating a cause or reason and without penalty by giving the other party at least thirty (30) days' prior written notice.
- 6.3 **Immediate Termination.** If Hospital reasonably finds the performance of Physician providing coverage under this Agreement to be unacceptable for reasons of professional competence or personal conduct, Hospital in its sole discretion may immediately remove Physician.
- 6.4 **Termination with Cause.** Either Party may immediately terminate this Agreement, for cause, including material breach of this Agreement, upon written notice to the other Party. Such notice shall specify the cause upon which it is based. Grounds for immediate termination by SBHCD also include:
- 6.4.1 Physician's loss or suspension of his medical license. Physician's conviction (whether final or on appeal) of a felony or any crime involving moral turpitude, or Physician's failure to maintain, for any reason, his status as a member of the active Medical Staff with appropriate privileges; or
- 6.4.2 Physician's appointment of a receiver for his assets, assignment for the benefit of their creditors, or any relief taken or suffered by them under any bankruptcy or insolvency act.
- 6.5 **Effect of Termination.**
- 6.5.1 Following expiration or termination of the Agreement for any reason, the Parties shall cooperate in the resulting transition in a manner that serves the best interests of the patients.
- 6.5.2 The right of Physician to provide Specialty Services is contingent upon the continued validity and force of this Agreement. However, termination of this Agreement shall have no effect on Physician's Medical Staff membership or clinical privileges at the Hospital, which will continue unless terminated in accordance with the Hospital's Medical Staff Bylaws.

## **VII. HIPAA COMPLIANCE**

- 7.1 **Protected Health Information.** Physician shall have access to medical records and other information regarding patients of Hospital or Clinic ("Protected Health Information"). Physician may use and disclose Protected Health Information only in accordance with such purposes and subject to the restrictions appearing below. Physician shall maintain the confidentiality of all Protected Health Information in compliance with all applicable federal, state and local laws and regulations, including, but not limited to, the California Confidentiality of Medical Information Act, Cal. Civ. Code §56 et seq., and the Federal Health Insurance Portability and Accountability Act of 1996, 104 P.L. 191,

Subtitle F, and regulations from time to time promulgated thereunder, ("HIPAA"). Physician agrees that Physician shall:

- 7.1.1 Not use or further disclose Protected Health Information in a manner that would violate the requirements of applicable laws or this Agreement;
- 7.1.2 Use appropriate safeguards to prevent use or disclosure of Protected Health Information except as permitted by law and the terms of this Agreement;
- 7.1.3 Report to SBHCD any use or disclosure of Protected Health Information not permitted by law or by this Agreement of which Physician becomes aware;
- 7.1.4 Ensure that any employees, subcontractors or agents to whom Physician provides Protected Health Information agree to the same restrictions and conditions that apply to Physician with respect to such Protected Health Information.
- 7.1.5 Comply with the elements of any compliance program established by SBHCD that applies to the use of or disclosure of Protected Health Information;
- 7.1.6 In accordance with and to the extent required by HIPAA, (i) make available Protected Health Information to the subject patient; (ii) make available Protected Health Information for amendment and incorporate any amendments to Protected Health Information; and (iii) make available the information required to provide an accounting of disclosures of Protected Health Information to the subject patient;
- 7.1.7 Make internal practices, books, and records relating to the use and disclosure of Protected Health Information available to the Secretary of the United States Department of Health and Human Services for purposes of determining SBHCD's and Physician's compliance with HIPAA; and
- 7.1.8 At termination of this Agreement and after first consulting with SBHCD, if feasible, return or destroy all Protected Health Information received from, or created by the other Party and retain no copies of such Protected Health Information or, if such return or destruction is not permissible under law or the terms of this Agreement or is not otherwise feasible, shall continue to maintain all Protected Health Information in accordance with the provisions of this Section.

#### **VIII. INSURANCE / LIMITATION OF LIABILITY**

- 8.1 **Professional Liability Insurance.** Physician shall maintain professional liability insurance that provides coverage for any act of Physician that may have occurred during the term of this Agreement while providing the services under this Agreement notwithstanding the termination or expiration of the term of this Agreement. Such policies or coverage must have limits of liability per each Physician of at least One Million Dollars (\$1,000,000) per claim and Three Million Dollars (\$3,000,000) annual aggregate "claims made" insurance coverage. Upon termination of this Agreement, Physician shall continue the current policy, obtain prior acts coverage or "extended discovery period" or "extended reporting period" coverage, or otherwise take steps to ensure that no lapse of coverage occurs for the period of time covered by this Agreement.
- 8.2 **Limitation of Liability.** Each Party shall be responsible for their own acts and omissions and shall be liable for payment of that portion of any and all claims, liabilities, injuries, suits, and demands and

expenses of all kinds that may result or arise out of any alleged malfeasance or neglect caused or alleged to have been caused by said Party, its employees, agents, or subcontractors, in the performance or omission of any act or responsibility of said Party under this Agreement. If a claim is made against both Parties, each Party will cooperate in the defense of said claim and cause its insurers to do likewise, Each Party shall, however, retain the right to take any actions it believes necessary to protect its own interests.

#### **IX. RECORD KEEPING REQUIREMENTS**

- 9.1 **General.** Physician shall maintain and provide SBHCD with information and documentation that SBHCD may require from time to time. This information and documentation shall include, but not be limited to, the recording and maintenance by Physician of time records for services provided by Physician under this Agreement, and any records deemed relevant, in the sole discretion of SBHCD, for production in accord with an investigation involving both SBHCD and Physician. Physician will complete all medical records, documentation of core measures and any forms or paperwork necessary for billing for his Specialty services within 14 days of discharge.
- 9.2 **Record Keeping Beyond the Term of Agreement.** Until the expiration of four (4) years following the performance of services under to this Agreement, Physician shall make available, upon written request, to the Secretary of the Department of Health and Human Services or, upon request to the Comptroller General, or any of their duly authorized representatives, this contract, books, documents and records of Physician that are necessary to certify the nature and extent of their costs under this Agreement.

#### **X. INDEPENDENT CONTRACTOR**

- 10.1 **Status.** Physician is entering into this Agreement as an independent contractor of SBHCD. Neither Party to this Agreement shall be deemed the employee, agent, partner, joint venturer, officer, principal or other representative of the other Party. Each Party shall have control over the hiring and firing of its own employees and shall pay all social security, withholding tax and other payroll charges applicable to its own employees. As an independent contractor, Physician may not make any claim against SBHCD under this Agreement for social security benefits, workers' compensation benefits, disability benefits, unemployment insurance benefits, health benefits, vacation pay, sick leave, or any other employee benefits of any kind.
- 10.2 **Exercise of Control.** It is the express intention of the Parties that Physician shall perform services independently of any direction and control of SBHCD except that Physician agrees to perform all services in accordance with the specifications of this Agreement. Physician shall owe Physician's first duty to the patients seen under the terms of this Agreement, shall be responsible for them and shall exercise independent medical judgment regarding their care and treatment. SBHCD shall not supervise or oversee the performance of services under this Agreement, except to the extent of quality assurance and peer review undertaken for all physicians on SBHCD's medical staff.

#### **XI. SBHCD COMPLIANCE PROGRAM**

- 11.1 **Cooperation with Compliance Program.** Physician acknowledges that SBHCD has implemented a Compliance Program for ensuring that the provision of, and billing for, care at the Hospital and the Clinic, complies with applicable federal and state laws ("Compliance Program"). Physician agrees to adhere to, abide by and support the Compliance Program and policies promulgated therein.

- 11.2 **Legal Compliance.** Physician agrees, represents, and warrants that Physician will maintain full compliance with all applicable federal, state and local laws and regulations, including, without limitation, laws and regulations regarding billing for services. Nothing in this Agreement shall be construed to require SBHCD or Physician to make referrals of patients to one another. No payment is made under this Agreement in return for the referral of patients or in return for the ordering, purchasing, or leasing of products or services from SBHCD. Furthermore, the Parties acknowledge, agree, and warrant to the other that the compensation provided under this Agreement is not in excess of the fair market value of the services rendered.
- 11.3 **Physician Warranties.** Upon execution of this Agreement, Physician agrees, represents and warrants that Physician: (i) has not been convicted of a criminal offense related to healthcare (unless Physician has been officially reinstated into the federal healthcare programs by the Office of Inspector General (“OIG”) and provided proof of such reinstatement to SBHCD); (ii) is not currently under sanction, exclusion or investigation (civil or criminal) by any federal or state enforcement, regulatory, administrative or licensing agency or is ineligible for federal or state program participation; or (iii) is not currently listed on the General Services Administration list of parties excluded from the federal procurement and non-procurement programs. Physician agrees that if Physician becomes involved in a pending criminal action or civil proposed debarment or exclusion related to any federal or state healthcare program, Physician shall immediately notify SBHCD administration and SBHCD shall then have the right to terminate this Agreement.

## **XII. GENERAL PROVISIONS**

- 12.1 **Assignment.** Physician may not assign or subcontract any portion of this Agreement without the prior written consent of SBHCD.
- 12.2 **Applicable Law.** This Agreement shall be governed by and construed in force and in accordance with the laws of the State of California. Venue is San Benito County, California.
- 12.3 **Tax Consequences.** The payments made to Physician under this Agreement, as compensation or reimbursement, have tax consequences for Physician. SBHCD makes no representation or warranties regarding said tax consequences. Physician is solely and exclusively responsible for ascertaining the tax consequences and for meeting his obligations under all applicable law and regulations. In no event shall SBHCD be responsible for any taxes owed by Physician because of said payments.
- 12.4 **Notices.** Service of all notices under this Agreement shall be sufficient if hand-delivered, mailed to the Party involved at its respective address set forth in this Agreement, by certified or registered mail, return receipt requested, or sent by nationally recognized overnight courier service, addressed to the appropriate Party as follows:

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

**PHYSICIAN:** Robert J. MacArthur, M.D.  
114 Cadence  
Irvine, CA 92618

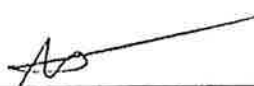
- 12.5 **Waiver of Provisions.** Any waiver of any terms and conditions of this Agreement must be in writing and signed by the Parties to this Agreement. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms and conditions of this Agreement or a continuing waiver of the terms and conditions waived.
- 12.6 **Cumulative of Remedies.** The various rights, options, elections, powers, and remedies of the respective Parties hereto contained in, granted, or reserved by this Agreement, are in addition to any others that said Parties may be entitled to by law, shall be construed as cumulative, and no one of them is exclusive of any of the others, or of any right or priority allowed by law.
- 12.7 **No Third Party Rights.** This Agreement is made solely for the benefit of the Parties and their respective and permitted assigns. Nothing in this Agreement shall confer any rights or remedies on any persons other than the Parties to it.
- 12.8 **Partial Invalidity.** If a lawful forum finds any part of this Agreement invalid or unenforceable, such finding shall not invalidate the remaining provisions, unless such invalidity or unenforceability would defeat an essential business purpose of this Agreement.
- 12.9 **Survival.** Except as otherwise expressly provided in this Agreement, all covenants, agreements, representations, and warranties, express and implied, that, by their nature are continuing, shall survive termination of this Agreement, and remain in effect and binding upon the Parties until they have fulfilled such obligations under this Agreement.
- 12.10 **Entire Agreement/Amendment.** This Agreement, with attachments, constitutes the entire agreement between the Parties with regard to the subject matter and supersedes all previous agreements, representations, and understandings between or among the Parties with regard to the subject matter of this Agreement. This Agreement may only be amended by mutual agreement of the Parties, with such amendment in writing and signed by both Parties. This Agreement cannot be orally amended.

The Parties have executed this Agreement as of the Effective Date first set forth above.

**SBHCD**  
San Benito Health Care District

**PHYSICIAN**  
Robert J. MacArthur, M.D.

By:   
Steven M. Hannah, CEO

  
Robert J. MacArthur, M.D.

Date: 10/3/22

Date: 10/3/22

**EXHIBIT A**

*Hours of Operation/Performance Parameters/Coverage*

Services. Physician is contracted to perform the usual and typical professional medical activities of a board-certified orthopedic surgeon. Physician will provide orthopedic care services, which shall include hospital care for Physician's patients, surgical assist, rounds and consults for orthopedic patients, emergency room coverage and outpatient clinic-based professional services.

Coverage Hours. The coverage hours for the Hospital and operating room are: *Call Coverage begins at 7am and ends at 6:59 am the next morning.*

SBHCD, in its sole and absolute discretion, shall determine and set reasonable hours of operation for the Clinics and operating room. Notwithstanding the foregoing, SBHCD may consult with physicians providing orthopedic services, including Physician.

Schedule. Notwithstanding anything to the contrary in the Agreement, SBHCD shall engage Physician for shifts on an as-needed basis per month.

Effective December 1, 2022, Physician shall be available for shifts as specified in Section 1.1 of this Agreement.

Shift Options. Based on the foregoing, Physician's shifts for providing Specialty Services may consist of:

- (1) a 24-hour shift during which Physician is on-call for emergency services, and at the same time Physician is also on scheduled to provide coverage in the clinic and operating room services;
- (2) a 24-hour shift when Physician is on-call for emergency services and not providing coverage in the clinic; or
- (3) a shift where Physician is only providing coverage in the clinic and operating room services.



**EXHIBIT B**

**COMPENSATION, HOUSING, EXPENSE REIMBURSEMENT**

1. Shift Coverage Fee: As compensation for the provision of Specialty Services under this Agreement, SBHCD shall pay Physician the applicable Shift Coverage Fee outlined below on a monthly basis in accordance with normal SBHCD contract payment processes.
  - a. Shift Coverage Fee. Any combination of clinic/Operating Room (OR)/24-hour On-call shift coverage: **\$2,500/day**.
2. No Separate ED On-Call Reimbursement. There will be no additional compensation to Physician for ED On-Call Services. Accordingly, Physician will not be eligible to receive separate on-call stipend payments.
3. Housing. SBHCD will provide Physician with local housing accommodations while Physician is providing Specialty Services under this Agreement beginning with arrival/check-in the day before the start of the Shift, and end on the last day of Shift.
4. Expense Reimbursement. SBHCD will reimburse Physician for: (1) round-trip mileage at the standard Internal Revenue Service rate, between Physician's home/office and SBHCD, for use of Physician's personal vehicle, (2) standard rental car expenses, (3) round-trip coach flight expenses, and (4) for Physician provision of professional liability coverage as outlined in Section 1.3, SBHCD will reimburse Physician Seventy Dollars (\$70.00) per coverage shift under the normal monthly SBHCD payment process. Physician shall submit an itemized invoice within ten (10) days of the conclusion of each month for expenses from the prior month.



**Board of Directors Contract Review Worksheet**

*Agreements for Professional Services with Piyush K. Dhanuka, M.D. (DOCS Medical Group, Inc.), B. Nicholas Namihas, M.D., Inc. and Prathibha Chandrasekaran, M.D.*

**Executive Summary:** To expand onsite Gastroenterology coverage for the community, Drs. Dhanuka, Namihas & Chandrasekaran will partner to provide emergency call and up to three (3) days per week of clinic coverage beginning December 1, 2022.

**Recommended Board Motion:** It is recommended the hospital Board approve Agreements for Professional Services with DOCS Medical Group, Inc., B. Nicholas Namihas, M.D., Inc. and Prathibha Chandrasekaran, M.D. at a rate of \$3,000 per 24-hour shift.

**Services Provided:** Gastroenterology clinic (up to three (3) days per week) & emergency call coverage x 52 weeks per year. If Group shall provide less than twenty-four (24) hour coverage during any shift, SBHCD shall compensate Group on a pro-rated basis for coverage provided.

**Combined Agreement Terms:**

| Contract Term | Effective Date | FMV %ile | Base Monthly Cost                     | Estimated Annual Cost Up To            | Term clause |
|---------------|----------------|----------|---------------------------------------|--|-------------|
| 3 years       | 12/1/2022      | 75th     | \$65,000 + travel (flight/rental car) | \$780,000 + travel (flight/rental car) | 60 days     |

**Contract Rate:** \$3,000 per shift + reimbursement of travel (flight/rental car) expenses.

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is made, entered into and effective as of **December 1, 2022** (“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 **DOCS Medical Group, Inc.**, a California professional medical corporation (“Group”).

### RECITALS

- A. SBHCD owns and operates Hazel Hawkins Memorial Hospital, a licensed general acute care facility located at 911 Sunset Drive, Hollister, California (“Hospital”). Hospital provides inpatient and outpatient services to residents of the San Benito Health Care District and surrounding communities which constitute the Hospital’s service area (“Hospital Service Area”).
- B. SBHCD owns and operates a rural health clinic as defined in Title 22, California Code of Regulations section 51115.5 to provide services to patients in the Hospital Service Area (“Clinic”). Clinic operates under the name “Hazel Hawkins Community Health Clinic.”
- C. Group is licensed to practice medicine in the State of California, is a member in good standing of the medical staff of Hospital and is experienced and qualified to provide gastroenterology services (“Services”).
- D. Section 32129 of the California Health and Safety Code provides that a health care district may contract with a group 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 Group 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. SBHCD has established a gastroenterology coverage panel (“GI coverage panel”) of qualified physicians which shall ensure the availability of physician coverage for gastroenterology services as needed.
- F. The parties desire to enter into this Agreement to set forth their respective responsibilities in connection with the Services provided by Group in the Hospital Service Area during the term of this Agreement.

The parties hereby agree as follows:

### 1. DUTIES AND OBLIGATIONS OF GROUP

- 1.1 **Medical Services.** Group shall provide professional health care services in Group’s medical specialty to patients at Clinic and Hospital, as more fully described in Exhibit A, which is attached to this Agreement and incorporated by this reference. Professional health care services include Medicare services, Medi-Cal services, services pursuant to any other federal health care program or a state health care financial program (“Governmental Programs”), workers’ compensation services, and charity care. Group shall cooperate to enable Clinic’s and Hospital’s participation in Medicare, Medi-Cal, Governmental Programs, workers’ compensation services and commercial payor programs. Group shall provide Services to all patients, including Medicare, Medi-Cal, Governmental Program, and workers’ compensation beneficiaries, in a non-discriminatory manner and in accordance with all applicable laws and SBHCD policies and procedures, as developed and implemented in collaboration with physician leadership of Hospital and Clinic.
- 1.2 **Qualifications of Group.** Group shall: (i) be duly licensed to practice medicine 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 Clinic and Hospital and rendition of Services, Group shall, at all times, comply with the applicable terms of this Agreement and with all applicable federal, state and local laws, rules and regulations, including requirements for participation in the Medicare and Medi-Cal programs, the Hospital medical staff bylaws, rules and regulations, and

applicable policies and procedures, and will at all times be aware of and participate in meeting the SBHCD Corporate Compliance program goals and objectives.

- 1.4 Credentialing. In order to be efficiently credentialed with payors contracted with SBHCD, Group 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 Group, and (ii) documents necessary for the credentialing of Group.
- 1.5 Use of Premises. No part of the SBHCD premises shall be used at any time by Group as an office for the general or private practice of medicine.
- 1.6 Medical Records/Chart Notes. Group shall provide appropriate and necessary documentation for each patient’s medical record for all patient encounters in the Clinic and Hospital in compliance with the hospital’s and clinics’ policies and procedures.
- 1.7 Coding. Group shall properly code all professional services rendered to patients. Group’s coding shall be used for purposes of billing for Services provided by Group. All such coding shall be subject to review and audit by an independent auditing company mutually agreed upon by the parties.
- 1.8 Hospital Call Coverage. Group shall be available to take hospital emergency department and unassigned patient call on a rotational basis, as determined in accordance with the standards set forth in Exhibit A without additional compensation or stipend except as indicated in Exhibit A of this Agreement.

## **2. DUTIES AND OBLIGATIONS OF SBHCD**

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

at the Hospital and the Clinic under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Group's services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 30.2.7.

#### 4. COMPENSATION FOR SERVICES BY GROUP

- 4.1 Compensation. As compensation for the provision of Services in the Clinic and Hospital, SBHCD shall pay Group as outlined in Exhibit A to this Agreement and in accordance with the normal SBHCD contract payment process for Services provided by Group. Group shall not bill for facility fees, administrative, supervisory, medical director, or similar services.
- 4.2 Schedule of Charges. SBHCD, in its sole and absolute discretion, shall decide upon the schedule of charges for the Clinic and Hospital. Pursuant to California Health and Safety Code Section 32129, the SBHCD Board of Directors may review the fees and charges for Services provided at the Clinic and Hospital to ensure such fees and charges are reasonable, fair, and consistent with the basic commitment of SBHCD to provide adequate health care to all residents within the Hospital Service Area.

#### 5. TERM AND TERMINATION

- 5.1 Term. The term of this Agreement shall commence on the Effective Date and continue for a period of three (3) years, unless terminated earlier as provided in this Agreement, and shall renew for successive one (1) year periods upon mutual agreement. 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, however, that in the case of (i) Sections 5.3.1, 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, (iii) Section 5.3.7 this Agreement will terminate immediately upon written notice from SBHCD, and (iv) 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 Group 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 Group becomes insolvent or declares bankruptcy.
  - 5.3.3 The license to practice medicine or to prescribe controlled substances of Group is revoked or suspended.
  - 5.3.4 SBHCD fails to carry or reinstate the insurance required in Article 8 of this Agreement or such coverage is cancelled or revoked within ten (10) days following notice of revocation from its insurance carrier.
  - 5.3.5 Upon the determination that Group has violated a material term of Article 9 of this Agreement.
  - 5.3.6 The performance by either party of any term, condition, or provision of this Agreement which jeopardizes the licensure of Hospital, Hospital's participation in Medicare, Medi-Cal or other reimbursement or payment program, or Hospital's full accreditation by The Joint Commission or any other state or nationally recognized accreditation organization, or the tax-exempt status of Hospital's bonds, or if for any other reason such performance violates any statute, ordinance, or is otherwise deemed illegal, or is deemed unethical by any recognized body, agency, or association in

the healthcare fields, and the jeopardy or violation has not been or cannot be cured within sixty (60) days from the date notice of such jeopardy or violation has been received by the parties.

5.3.7 The loss of or reduction in Physician's medical staff privileges at any hospital where Physician provides professional health care services, whether voluntary or involuntary.

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 Group'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. Group 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 Group performs work and functions, except that Group shall perform at all times in strict accordance with then currently approved methods and practices of Group's professional specialty. SBHCD's sole interest is to ensure that Group 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 Group pursuant to the terms and conditions of this Agreement shall be construed to make or render Group, the agent or employee of SBHCD or Hospital. Group 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 Group (for Group's Physician(s) and Physicians' 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 for Group for Services provided by Group to SBHCD patients during the term of this Agreement in a minimum amount of \$1,000,000 per occurrence and \$3,000,000 annual aggregate. In the event the coverage that SBHCD 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. Group 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, Group agrees to maintain PHI, as defined from time to time under HIPAA, which may be made available to or received by Group pursuant to this Agreement, in accordance with the requirements of HIPAA. Group agrees that Group 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 Group 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 Group provides PHI agree to the same restrictions and conditions that apply to Group 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 Group’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 Group’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 (“E PHI”). Group agrees that Group will: (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the E PHI that Group creates, receives, maintains, or transmits on behalf of SBHCD; (ii) report to SBHCD any security incident with respect to E PHI of which Group becomes aware; and (iii) ensure that any agent, including a subcontractor, to whom Group provides E PHI 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

Group: DOCS Medical Group Inc.  
1825 Sonoma Street  
Redding, CA 96001

- 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 Clinic and Hospital patient records shall be maintained by SBHCD and are the property of SBHCD. Group shall have the right to access such records during normal business hours.
- 10.5 **No Referrals.** Nothing in this Agreement is intended to obligate or induce any party to this Agreement to refer patients to any other party.
- 10.6 **Exclusive Property of SBHCD.** All data, files, records, documents, promotional materials, and similar items relating to the business of SBHCD, whether prepared by or with the assistance of Group or otherwise coming into Group'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.
- 10.7 **Confidentiality.** The parties acknowledge and agree that during the term of this Agreement and in the course of the discharge of Group's duties hereunder, Group shall have access to and become acquainted with information concerning the operation of SBHCD, and information which, pursuant to applicable law and regulation, is deemed to be confidential, including, but not limited to, trade secrets, medical records, patient medical and personal information, and personnel records. Group agrees that such information shall not be disclosed either directly or indirectly to any other person or entity or used by Group in any way either during the term of this Agreement or at any other time thereafter, except as is required herein. Group understands breach of this article will be an irreparable 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), Group agrees that the books and records of Group 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 Group at a value or cost of \$10,000 or more over a twelve (12) month period, Group shall comply and assure that such subcontractor complies with the provisions of Section 952 of the Omnibus Reconciliation Act of 1980. If not applicable to this Agreement, this Section shall automatically be repealed.
- 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

**Group**  
DOCS Medical Group, Inc.

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

\_\_\_\_\_  
Piyush K. Dhanuka, M.D., Chief Executive Officer

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

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

*(The remainder of page left blank intentionally)*

## EXHIBIT A

### GROUP SERVICES AND COMPENSATION

- A.1 **Further Description of Medical Services.** Group shall provide professional medical services in Group's specialty at locations specified by SBHCD, which will be within the SBHCD healthcare district boundaries, or at facilities within thirty (30) miles of the SBHCD Hospital.
- A.1.1 **GI Coverage Panel.** Group shall serve as member of the GI Coverage Panel on a shared basis such that GI Coverage Panel provides needed services to SBHCD on a five (5) day per week schedule.
- A.1.2. **Professional Services.** Group shall provide Services in the Clinic and Hospital beginning on the Effective Date. Group shall provide such services in coordination with other physicians who are contracted with SBHCD to provide similar services to patients and pursuant to a mutually agreed-upon schedule. If Group and other physicians cannot agree on such a schedule, SBHCD shall determine the schedule.
- A.1.3 **Specialty Services.** Group shall provide the following **Gastroenterology Services**:  
  
Management of Group's own admitted patients; management of the care of patients admitted at the request of and with the attending or referring physician, and thereafter managing the care rendered to such patients; family conferences as requested in consultation with social services; consultations, upon request, for members of the Hospital's Medical Staff, including the hospitalist group; and assistance with the management and treatment of patients for whom Group is responsible as head of a multi-disciplinary team. When the patient has an attending/referring physician, Group shall include such physician in decision making and keep such physician informed.
- A.1.4 **Clinic Services.** Clinic operating hours are Monday through Friday, from 8:00 a.m. to 5:00 p.m. Group shall provide the following Clinic Services in the Clinics in accordance with the schedule set forth in Section A.2 of this Exhibit A:
- A.1.4.1 New and follow-up office visits;
  - A.1.4.2 Consultations;
  - A.1.4.3 Post discharge follow-up visits;
  - A.1.4.4 Ensuring the quality, availability, and expertise of medical services rendered in the Clinic and at Clinic-related activities;
  - A.1.4.5 Supervising physician assistants and nurse practitioners (collectively referred to as "Mid-Level Practitioners") as necessary for reimbursement or consult in the absence of the Medical Director;
  - A.1.4.6 Coordination of medical activities of the Clinic as a whole to be accomplished through continuous communication with appropriate SBHCD administrative personnel regarding medical administration of the Clinic;
  - A.1.4.7 Assisting with the development of a plan for quality assurance for the Clinic;
  - A.1.4.8 Provide required chart review and audits of care provided by Mid-Level Practitioners
  - A.1.4.9 Other services as are mutually agreed to be appropriate and appropriately provided in an outpatient setting by a Group specializing in Gastroenterology.
- A.2 **Schedule.** Group shall provide Medical Services to SBHCD patients in coordination with the GI Coverage Panel assuring five (5) days per week, every Friday through Wednesday, fifty-two (52) weeks per year, (which includes Clinic time, scheduled operating room time, inpatient rounding, and operating room add-on time) in the Hospital or Clinic setting shall provide Medical Services to SBHCD patients five (5) days per week, every Friday through Wednesday, fifty-two (52) weeks per year, (which includes Clinic time, scheduled operating room time, inpatient rounding, and operating room add-on time) in the Hospital or Clinic setting.

- A.3 **Hospital Call Coverage.** Group shall provide emergency department and unassigned patient call coverage (“Hospital Call”) to support the needs of the Hospital, in accordance with Hospital Medical Staff Bylaws; provided, however, that Group may not discontinue providing Hospital Call pursuant to any provision in the Hospital Medical Staff Bylaws. Hospital Call includes responding to the emergency department, inpatient units, and the operating room.
- A.3.1 **Hospital Call Requirements.** Gastroenterology Call Panel on a schedule of five (5) days per week, Friday through Wednesday, for an annual total of two hundred sixty (260) days per contract year. Hospital Call Coverage begins at 7:00am and ends at 6:59am the next morning.
- A.3.2 **Hospital Call Days Included in Base Compensation.** Compensation amounts include provision of two hundred sixty (260) days of Hospital Call coverage per contract year.
- A.3.3 **Excess Hospital Call Days.** If Group provides Hospital Call coverage in excess of two hundred sixty (260) days per contract year (“Excess Hospital Call Days”), Group shall be compensated at the rate of One Thousand Dollars (\$1,000.00) per day.
- A.3.4 **Payment for Excess Hospital Call Days.** The number of days Group provides Hospital Call coverage shall be reported to SBHCD. Payment of any Excess Hospital Call days due to Group will be made in accordance with the normal SBHCD payment process.
- A.4 **Compensation.**
- A.4.1 **Compensation Methodology Compliance.** In order to maintain continuity in the Compensation Methodology under this Agreement and to ensure commercial reasonableness and fair market value compensation to Group for Services provided under this Agreement in compliance with Stark Law and Anti-Kickback regulations, SBHCD and Group agree that SBHCD retains the right to continue, for the term of this Agreement, application of the compensation formula in this Agreement.
- A.4.2 **Compensation.** Group’s Compensation, which includes professional services, supervision, and Hospital Call activities (“Compensation”), shall be paid on a monthly basis on SBHCD’s standard payment cycle for similar agreements and shall be in the amount of Three Thousand Dollars and No Cents (\$3,000.00) per 24-hour shift. If Group shall provide less than twenty-four (24) hour coverage during any shift, SBHCD shall compensate Group on a pro-rated basis for coverage provided.
- A.4.3 **Payment on Termination.** On termination of this Agreement, which is not extended, renewed or superseded by another agreement, SBHCD shall pay to Group any amounts due to Group within forty-five (45) days after the termination of this Agreement.
- A.4.4 **Agreement Includes All Compensation from SBHCD.** Incorporated into compensation under the Agreement, unless specifically excluded, are all the Group’s sources of practice revenues and income, including Hospital Call coverage stipends, other hospital on-call fees, hospital stipends, and reading fees; provided, however, that services as a medical director within SBHCD, service on medical staff or SBHCD positions such as department chair or chief of staff, call panels which are not currently in effect, or other items specifically excluded by written agreement between Group and SBHCD shall be independently compensated to Group by SBHCD, if any, and are not subject to the terms of this Agreement.
- A.4.5 **Housing.** SBHCD will provide Group with local housing accommodations while Group is providing Services under this Agreement.
- A.4.6 **Expenses.** SBHCD will reimburse Group for: (a) round-trip mileage (payable at the current standard Internal Revenue Service rate) from/to Group’s practice location to/from Hospital, or (b) standard rental car and flight expenses.

- A.5 **Services and Activities in Support of SBHCD.** SBHCD and Group acknowledge and agree that certain services and activities may be required of Group in support of SBHCD and Clinic to ensure a continuing high level of patient care. To that end, Group shall participate in functions/events from time to time, in support of the SBHCD Clinics and the SBHCD facilities. In addition, to assist in the recruitment and retention of highly skilled practitioners, upon SBHCD's request, Group shall participate in recruitment meetings with SBHCD physician candidates. SBHCD shall reimburse Group for reasonable meal expenses incurred as part of meeting with physician candidates hosted at the request of SBHCD.
- A.6 **Practice Guidelines/Best Quality Practices.** Group shall demonstrate cooperative work arrangements with the Medical Staff, Quality and Safety Leadership and SBHCD Administration to achieve mutually accepted practice guidelines and the best quality practices. These practices will be evidenced based, and include at minimum the following:
- A.6.1 Attendance at regular monthly meetings with SBHCD Clinic and Hospital leadership when requested to review any operational or quality issues.
  - A.6.2 Timely completion of all incomplete inpatient records, including completion of all admission and discharge medication reconciliation.  
*Goal: As specified by Medical staff rules and regulations or hospital policy.*
  - A.6.3 Completion of all office visit notes within seven (7) days of visit.
  - A.6.4 Timely signing of orders.  
*Goal: As specified by Medical staff rules and regulations or hospital policy.*
  - A.6.5 Timely discharges summaries.  
*Goal: As specified by Medical staff rules and regulations or hospital policy.*
  - A.6.6 Commitment to use of SBHCD supported electronic health/medical record platforms.
  - A.6.7 Compliance with all governmental and SBHCD quality reporting initiatives that may come into effect from time to time.
  - A.6.8 Timely arrival at Hospital for scheduled procedures and Clinic for scheduled patient visits.

DOCTOR:

FOR THE MONTH OF:

Fax to: (831)636-2695 or email to: lparnell@hazelhawkins.com

**Instructions:**

Please record the hours spent in each clinic on the proper line of the productivity log. The total hours worked on any given day must equal the sum of the hours spent in each clinic. These hours will be used to meet the Medicare Regulations for productivity standards for Rural Health Clinics. If you were on Emergency call for the day, place a check mark in the ER CALL column on the appropriate day.

\*\*\*\*\*This log must be submitted to the Finance Department prior to the release of your payment. Thank you!\*\*\*\*\*

| DAY IN MONTH | SUNSET | SJB | 1ST ST | 4TH ST | MSC | BARRAGAN | ORTHO | OR/ASC/HMH | TOTAL | ER CALL |
|--------------|--------|-----|--------|--------|-----|----------|-------|------------|-------|---------|
| 1            |        |     |        |        |     |          |       |            |       |         |
| 2            |        |     |        |        |     |          |       |            |       |         |
| 3            |        |     |        |        |     |          |       |            |       |         |
| 4            |        |     |        |        |     |          |       |            |       |         |
| 5            |        |     |        |        |     |          |       |            |       |         |
| 6            |        |     |        |        |     |          |       |            |       |         |
| 7            |        |     |        |        |     |          |       |            |       |         |
| 8            |        |     |        |        |     |          |       |            |       |         |
| 9            |        |     |        |        |     |          |       |            |       |         |
| 10           |        |     |        |        |     |          |       |            |       |         |
| 11           |        |     |        |        |     |          |       |            |       |         |
| 12           |        |     |        |        |     |          |       |            |       |         |
| 13           |        |     |        |        |     |          |       |            |       |         |
| 14           |        |     |        |        |     |          |       |            |       |         |
| 15           |        |     |        |        |     |          |       |            |       |         |
| 16           |        |     |        |        |     |          |       |            |       |         |
| 17           |        |     |        |        |     |          |       |            |       |         |
| 18           |        |     |        |        |     |          |       |            |       |         |
| 19           |        |     |        |        |     |          |       |            |       |         |
| 20           |        |     |        |        |     |          |       |            |       |         |
| 21           |        |     |        |        |     |          |       |            |       |         |
| 22           |        |     |        |        |     |          |       |            |       |         |
| 23           |        |     |        |        |     |          |       |            |       |         |
| 24           |        |     |        |        |     |          |       |            |       |         |
| 25           |        |     |        |        |     |          |       |            |       |         |
| 26           |        |     |        |        |     |          |       |            |       |         |
| 27           |        |     |        |        |     |          |       |            |       |         |
| 28           |        |     |        |        |     |          |       |            |       |         |
| 29           |        |     |        |        |     |          |       |            |       |         |
| 30           |        |     |        |        |     |          |       |            |       |         |
| 31           |        |     |        |        |     |          |       |            |       |         |
| TOTAL        |        |     |        |        |     |          |       |            |       |         |

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

109

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is made, entered into and effective as of **December 1, 2022** (“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 **B. Nicholas Namihias, M.D., Inc.**, a California professional medical corporation (“Group”).

### RECITALS

- A. SBHCD owns and operates Hazel Hawkins Memorial Hospital, a licensed general acute care facility located at 911 Sunset Drive, Hollister, California (“Hospital”). Hospital provides inpatient and outpatient services to residents of the San Benito Health Care District and surrounding communities which constitute the Hospital’s service area (“Hospital Service Area”).
- B. SBHCD owns and operates a rural health clinic as defined in Title 22, California Code of Regulations section 51115.5 to provide services to patients in the Hospital Service Area (“Clinic”). Clinic operates under the name “Hazel Hawkins Community Health Clinic.”
- C. Group is licensed to practice medicine in the State of California, is a member in good standing of the medical staff of Hospital and is experienced and qualified to provide gastroenterology services (“Services”).
- D. Section 32129 of the California Health and Safety Code provides that a health care district may contract with a group 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 Group 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. SBHCD has established a gastroenterology coverage panel (“GI coverage panel”) of qualified physicians which shall ensure the availability of physician coverage for gastroenterology services as needed.
- F. The parties desire to enter into this Agreement to set forth their respective responsibilities in connection with the Services provided by Group in the Hospital Service Area during the term of this Agreement.

The parties hereby agree as follows:

### 1. DUTIES AND OBLIGATIONS OF GROUP

- 1.1 **Medical Services.** Group shall provide professional health care services in Group’s medical specialty to patients at Clinic and Hospital, as more fully described in Exhibit A, which is attached to this Agreement and incorporated by this reference. Professional health care services include Medicare services, Medi-Cal services, services pursuant to any other federal health care program or a state health care financial program (“Governmental Programs”), workers’ compensation services, and charity care. Group shall cooperate to enable Clinic’s and Hospital’s participation in Medicare, Medi-Cal, Governmental Programs, workers’ compensation services and commercial payor programs. Group shall provide Services to all patients, including Medicare, Medi-Cal, Governmental Program, and workers’ compensation beneficiaries, in a non-discriminatory manner and in accordance with all applicable laws and SBHCD policies and procedures, as developed and implemented in collaboration with physician leadership of Hospital and Clinic.
- 1.2 **Qualifications of Group.** Group shall: (i) be duly licensed to practice medicine 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 Clinic and Hospital and rendition of Services, Group shall, at all times, comply with the applicable terms of this Agreement and with all applicable federal, state and local laws, rules and regulations, including requirements for participation in the Medicare and Medi-Cal programs, the Hospital medical staff bylaws, rules and regulations, and

applicable policies and procedures, and will at all times be aware of and participate in meeting the SBHCD Corporate Compliance program goals and objectives.

- 1.4 Credentialing. In order to be efficiently credentialed with payors contracted with SBHCD, Group 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 Group, and (ii) documents necessary for the credentialing of Group.
- 1.5 Use of Premises. No part of the SBHCD premises shall be used at any time by Group as an office for the general or private practice of medicine.
- 1.6 Medical Records/Chart Notes. Group shall provide appropriate and necessary documentation for each patient’s medical record for all patient encounters in the Clinic and Hospital in compliance with the hospital’s and clinics’ policies and procedures.
- 1.7 Coding. Group shall properly code all professional services rendered to patients. Group’s coding shall be used for purposes of billing for Services provided by Group. All such coding shall be subject to review and audit by an independent auditing company mutually agreed upon by the parties.
- 1.8 Hospital Call Coverage. Group shall be available to take hospital emergency department and unassigned patient call on a rotational basis, as determined in accordance with the standards set forth in Exhibit A without additional compensation or stipend except as indicated in Exhibit A of this Agreement.

## 2. DUTIES AND OBLIGATIONS OF SBHCD

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

at the Hospital and the Clinic under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Group's services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 30.2.7.

#### 4. COMPENSATION FOR SERVICES BY GROUP

- 4.1 Compensation. As compensation for the provision of Services in the Clinic and Hospital, SBHCD shall pay Group as outlined in Exhibit A to this Agreement and in accordance with the normal SBHCD contract payment process for Services provided by Group. Group shall not bill for facility fees, administrative, supervisory, medical director, or similar services.
- 4.2 Schedule of Charges. SBHCD, in its sole and absolute discretion, shall decide upon the schedule of charges for the Clinic and Hospital. Pursuant to California Health and Safety Code Section 32129, the SBHCD Board of Directors may review the fees and charges for Services provided at the Clinic and Hospital to ensure such fees and charges are reasonable, fair, and consistent with the basic commitment of SBHCD to provide adequate health care to all residents within the Hospital Service Area.

#### 5. TERM AND TERMINATION

- 5.1 Term. The term of this Agreement shall commence on the Effective Date and continue for a period of three (3) years, unless terminated earlier as provided in this Agreement, and shall renew for successive one (1) year periods upon mutual agreement. 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, however, that in the case of (i) Sections 5.3.1, 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, (iii) Section 5.3.7 this Agreement will terminate immediately upon written notice from SBHCD, and (iv) 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 Group 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 Group becomes insolvent or declares bankruptcy.
- 5.3.3 The license to practice medicine or to prescribe controlled substances of Group is revoked or suspended.
- 5.3.4 SBHCD fails to carry or reinstate the insurance required in Article 8 of this Agreement or such coverage is cancelled or revoked within ten (10) days following notice of revocation from its insurance carrier.
- 5.3.5 Upon the determination that Group has violated a material term of Article 9 of this Agreement.
- 5.3.6 The performance by either party of any term, condition, or provision of this Agreement which jeopardizes the licensure of Hospital, Hospital's participation in Medicare, Medi-Cal or other reimbursement or payment program, or Hospital's full accreditation by The Joint Commission or any other state or nationally recognized accreditation organization, or the tax-exempt status of Hospital's bonds, or if for any other reason such performance violates any statute, ordinance, or is otherwise deemed illegal, or is deemed unethical by any recognized body, agency, or association in



the healthcare fields, and the jeopardy or violation has not been or cannot be cured within sixty (60) days from the date notice of such jeopardy or violation has been received by the parties.

5.3.7 The loss of or reduction in Physician's medical staff privileges at any hospital where Physician provides professional health care services, whether voluntary or involuntary.

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 Group'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. Group 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 Group performs work and functions, except that Group shall perform at all times in strict accordance with then currently approved methods and practices of Group's professional specialty. SBHCD's sole interest is to ensure that Group 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 Group pursuant to the terms and conditions of this Agreement shall be construed to make or render Group, the agent or employee of SBHCD or Hospital. Group 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 Group (for Group's Physician(s) and Physicians' 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 for Group for Services provided by Group to SBHCD patients during the term of this Agreement in a minimum amount of \$1,000,000 per occurrence and \$3,000,000 annual aggregate. In the event the coverage that SBHCD 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. Group 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, Group agrees to maintain PHI, as defined from time to time under HIPAA, which may be made available to or received by Group pursuant to this Agreement, in accordance with the requirements of HIPAA. Group agrees that Group 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 Group 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 Group provides PHI agree to the same restrictions and conditions that apply to Group 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 Group’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 Group’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 (“E PHI”). Group agrees that Group will: (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the E PHI that Group creates, receives, maintains, or transmits on behalf of SBHCD; (ii) report to SBHCD any security incident with respect to E PHI of which Group becomes aware; and (iii) ensure that any agent, including a subcontractor, to whom Group provides E PHI 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

Group: B. Nicholas Namihias, M.D., Inc.  
1825 Sonoma Street  
Redding, CA 96001

- 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 Clinic and Hospital patient records shall be maintained by SBHCD and are the property of SBHCD. Group shall have the right to access such records during normal business hours.
- 10.5 No Referrals. Nothing in this Agreement is intended to obligate or induce any party to this Agreement to refer patients to any other party.
- 10.6 Exclusive Property of SBHCD. All data, files, records, documents, promotional materials, and similar items relating to the business of SBHCD, whether prepared by or with the assistance of Group or otherwise coming into Group'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.
- 10.7 Confidentiality. The parties acknowledge and agree that during the term of this Agreement and in the course of the discharge of Group's duties hereunder, Group shall have access to and become acquainted with information concerning the operation of SBHCD, and information which, pursuant to applicable law and regulation, is deemed to be confidential, including, but not limited to, trade secrets, medical records, patient medical and personal information, and personnel records. Group agrees that such information shall not be disclosed either directly or indirectly to any other person or entity or used by Group in any way either during the term of this Agreement or at any other time thereafter, except as is required herein. Group 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), Group agrees that the books and records of Group 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 Group at a value or cost of \$10,000 or more over a twelve (12) month period, Group shall comply and assure that such subcontractor complies with the provisions of Section 952 of the Omnibus Reconciliation Act of 1980. If not applicable to this Agreement, this Section shall automatically be repealed.
- 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

**Group**

B. Nicholas Namimas, M.D., Inc.

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

\_\_\_\_\_  
B. Nicholas Namimas, M.D., Chief Executive Officer

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

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

*(The remainder of page left blank intentionally)*

## EXHIBIT A

### GROUP SERVICES AND COMPENSATION

- A.1 **Further Description of Medical Services.** Group shall provide professional medical services in Group's specialty at locations specified by SBHCD, which will be within the SBHCD healthcare district boundaries, or at facilities within thirty (30) miles of the SBHCD Hospital.
- A.1.1 **GI Coverage Panel.** Group shall serve as member of the GI Coverage Panel on a shared basis such that GI Coverage Panel provides needed services to SBHCD on a five (5) day per week schedule.
- A.1.2. **Professional Services.** Group shall provide Services in the Clinic and Hospital beginning on the Effective Date. Group shall provide such services in coordination with other physicians who are contracted with SBHCD to provide similar services to patients and pursuant to a mutually agreed-upon schedule. If Group and other physicians cannot agree on such a schedule, SBHCD shall determine the schedule.
- A.1.3 **Specialty Services.** Group shall provide the following **Gastroenterology Services**:  
  
Management of Group's own admitted patients; management of the care of patients admitted at the request of and with the attending or referring physician, and thereafter managing the care rendered to such patients; family conferences as requested in consultation with social services; consultations, upon request, for members of the Hospital's Medical Staff, including the hospitalist group; and assistance with the management and treatment of patients for whom Group is responsible as head of a multi-disciplinary team. When the patient has an attending/referring physician, Group shall include such physician in decision making and keep such physician informed.
- A.1.4 **Clinic Services.** Clinic operating hours are Monday through Friday, from 8:00 a.m. to 5:00 p.m. Group shall provide the following Clinic Services in the Clinics in accordance with the schedule set forth in Section A.2 of this Exhibit A:
- A.1.4.1 New and follow-up office visits;
  - A.1.4.2 Consultations;
  - A.1.4.3 Post discharge follow-up visits;
  - A.1.4.4 Ensuring the quality, availability, and expertise of medical services rendered in the Clinic and at Clinic-related activities;
  - A.1.4.5 Supervising physician assistants and nurse practitioners (collectively referred to as "Mid-Level Practitioners") as necessary for reimbursement or consult in the absence of the Medical Director;
  - A.1.4.6 Coordination of medical activities of the Clinic as a whole to be accomplished through continuous communication with appropriate SBHCD administrative personnel regarding medical administration of the Clinic;
  - A.1.4.7 Assisting with the development of a plan for quality assurance for the Clinic;
  - A.1.4.8 Provide required chart review and audits of care provided by Mid-Level Practitioners
  - A.1.4.9 Other services as are mutually agreed to be appropriate and appropriately provided in an outpatient setting by a Group specializing in Gastroenterology.
- A.2 **Schedule.** Group shall provide Medical Services to SBHCD patients in coordination with the GI Coverage Panel assuring five (5) days per week, every Friday through Wednesday, fifty-two (52) weeks per year, (which includes Clinic time, scheduled operating room time, inpatient rounding, and operating room add-on time) in the Hospital or Clinic setting shall provide Medical Services to SBHCD patients five (5) days per week, every Friday through Wednesday, fifty-two (52) weeks per year, (which includes Clinic time, scheduled operating room time, inpatient rounding, and operating room add-on time) in the Hospital or Clinic setting.

the Hospital Medical Staff Bylaws. Hospital Call includes responding to the emergency department, inpatient units, and the operating room.

A.3.1 **Hospital Call Requirements.** Gastroenterology Call Panel on a schedule of five (5) days per week, Friday through Wednesday, for an annual total of two hundred sixty (260) days per contract year. Hospital Call Coverage begins at 7:00am and ends at 6:59am the next morning.

A.3.2 **Hospital Call Days Included in Base Compensation.** Compensation amounts include provision of two hundred sixty (260) days of Hospital Call coverage per contract year.

A.3.3 **Excess Hospital Call Days.** If Group provides Hospital Call coverage in excess of two hundred sixty (260) days per contract year ("Excess Hospital Call Days"), Group shall be compensated at the rate of One Thousand Dollars (\$1,000.00) per day.

A.3.4 **Payment for Excess Hospital Call Days.** The number of days Group provides Hospital Call coverage shall be reported to SBHCD. Payment of any Excess Hospital Call days due to Group will be made in accordance with the normal SBHCD payment process.

#### A.4 **Compensation.**

A.4.1 **Compensation Methodology Compliance.** In order to maintain continuity in the Compensation Methodology under this Agreement and to ensure commercial reasonableness and fair market value compensation to Group for Services provided under this Agreement in compliance with Stark Law and Anti-Kickback regulations, SBHCD and Group agree that SBHCD retains the right to continue, for the term of this Agreement, application of the compensation formula in this Agreement.

A.4.2 **Compensation.** Group's Compensation, which includes professional services, supervision, and Hospital Call activities ("Compensation"), shall be paid on a monthly basis on SBHCD's standard payment cycle for similar agreements and shall be in the amount of Three Thousand Dollars and No Cents (\$3,000.00) per 24-hour shift. If Group shall provide less than twenty-four (24) hour coverage during any shift, SBHCD shall compensate Group on a pro-rated basis for coverage provided.

A.4.3 **Payment on Termination.** On termination of this Agreement, which is not extended, renewed or superseded by another agreement, SBHCD shall pay to Group any amounts due to Group within forty-five (45) days after the termination of this Agreement.

A.4.4 **Agreement Includes All Compensation from SBHCD.** Incorporated into compensation under the Agreement, unless specifically excluded, are all the Group's sources of practice revenues and income, including Hospital Call coverage stipends, other hospital on-call fees, hospital stipends, and reading fees; provided, however, that services as a medical director within SBHCD, service on medical staff or SBHCD positions such as department chair or chief of staff, call panels which are not currently in effect, or other items specifically excluded by written agreement between Group and SBHCD shall be independently compensated to Group by SBHCD, if any, and are not subject to the terms of this Agreement.

A.4.5 **Housing.** SBHCD will provide Group with local housing accommodations while Group is providing Services under this Agreement.

A.4.6 **Expenses.** SBHCD will reimburse Group for: (a) round-trip mileage (payable at the current standard Internal Revenue Service rate) from/to Group's practice location to/from Hospital, or (b) standard rental car and flight expenses.

A.5 **Services and Activities in Support of SBHCD.** SBHCD and Group acknowledge and agree that certain services and activities may be required of Group in support of SBHCD and Clinic to ensure a continuing high level of patient care. To that end, Group shall participate in functions/events from time to time, in support of the SBHCD Clinics and the SBHCD facilities. In addition, to assist in the recruitment and

retention of highly skilled practitioners, upon SBHCD's request, Group shall participate in recruitment meetings with SBHCD physician candidates. SBHCD shall reimburse Group for reasonable meal expenses incurred as part of meeting with physician candidates hosted at the request of SBHCD.

- A.6 **Practice Guidelines/Best Quality Practices.** Group shall demonstrate cooperative work arrangements with the Medical Staff, Quality and Safety Leadership and SBHCD Administration to achieve mutually accepted practice guidelines and the best quality practices. These practices will be evidenced based, and include at minimum the following:
- A.6.1 Attendance at regular monthly meetings with SBHCD Clinic and Hospital leadership when requested to review any operational or quality issues.
  - A.6.2 Timely completion of all incomplete inpatient records, including completion of all admission and discharge medication reconciliation.  
*Goal: As specified by Medical staff rules and regulations or hospital policy.*
  - A.6.3 Completion of all office visit notes within seven (7) days of visit.
  - A.6.4 Timely signing of orders.  
*Goal: As specified by Medical staff rules and regulations or hospital policy.*
  - A.6.5 Timely discharges summaries.  
*Goal: As specified by Medical staff rules and regulations or hospital policy.*
  - A.6.6 Commitment to use of SBHCD supported electronic health/medical record platforms.
  - A.6.7 Compliance with all governmental and SBHCD quality reporting initiatives that may come into effect from time to time.
  - A.6.8 Timely arrival at Hospital for scheduled procedures and Clinic for scheduled patient visits.

DOCTOR:

FOR THE MONTH OF:

Fax to: (831)636-2695 or email to: lparnell@hazelhawkins.com

**Instructions:**

Please record the hours spent in each clinic on the proper line of the productivity log. The total hours worked on any given day must equal the sum of the hours spent in each clinic. These hours will be used to meet the Medicare Regulations for productivity standards for Rural Health Clinics. If you were on Emergency call for the day, place a check mark in the ER CALL column on the appropriate day.

\*\*\*\*\*This log must be submitted to the Finance Department prior to the release of your payment. Thank you!\*\*\*\*\*

| DAY IN MONTH | SUNSET | SJB | 1ST ST | 4TH ST | MSC | BARRAGAN | ORTHO | OR/ASC/HMH | TOTAL | ER CALL |
|--------------|--------|-----|--------|--------|-----|----------|-------|------------|-------|---------|
| 1            |        |     |        |        |     |          |       |            |       |         |
| 2            |        |     |        |        |     |          |       |            |       |         |
| 3            |        |     |        |        |     |          |       |            |       |         |
| 4            |        |     |        |        |     |          |       |            |       |         |
| 5            |        |     |        |        |     |          |       |            |       |         |
| 6            |        |     |        |        |     |          |       |            |       |         |
| 7            |        |     |        |        |     |          |       |            |       |         |
| 8            |        |     |        |        |     |          |       |            |       |         |
| 9            |        |     |        |        |     |          |       |            |       |         |
| 10           |        |     |        |        |     |          |       |            |       |         |
| 11           |        |     |        |        |     |          |       |            |       |         |
| 12           |        |     |        |        |     |          |       |            |       |         |
| 13           |        |     |        |        |     |          |       |            |       |         |
| 14           |        |     |        |        |     |          |       |            |       |         |
| 15           |        |     |        |        |     |          |       |            |       |         |
| 16           |        |     |        |        |     |          |       |            |       |         |
| 17           |        |     |        |        |     |          |       |            |       |         |
| 18           |        |     |        |        |     |          |       |            |       |         |
| 19           |        |     |        |        |     |          |       |            |       |         |
| 20           |        |     |        |        |     |          |       |            |       |         |
| 21           |        |     |        |        |     |          |       |            |       |         |
| 22           |        |     |        |        |     |          |       |            |       |         |
| 23           |        |     |        |        |     |          |       |            |       |         |
| 24           |        |     |        |        |     |          |       |            |       |         |
| 25           |        |     |        |        |     |          |       |            |       |         |
| 26           |        |     |        |        |     |          |       |            |       |         |
| 27           |        |     |        |        |     |          |       |            |       |         |
| 28           |        |     |        |        |     |          |       |            |       |         |
| 29           |        |     |        |        |     |          |       |            |       |         |
| 30           |        |     |        |        |     |          |       |            |       |         |
| 31           |        |     |        |        |     |          |       |            |       |         |
| <b>TOTAL</b> |        |     |        |        |     |          |       |            |       |         |

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

120



## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is made, entered into and effective as of **December 1, 2022** (“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 **Prathibha Chandrasekaran, M.D.** (“Physician”).

### RECITALS

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

The parties hereby agree as follows:

### 1. DUTIES AND OBLIGATIONS OF PHYSICIAN

- 1.1 **Medical Services.** Physician shall provide professional health care services in Physician’s medical specialty to patients at Clinic and Hospital, as more fully described in Exhibit A, which is attached to this Agreement and incorporated by this reference. Professional health care services include Medicare services, Medi-Cal services, services pursuant to any other federal health care program or a state health care financial program (“Governmental Programs”), workers’ compensation services, and charity care. Physician shall cooperate to enable Clinic’s and Hospital’s participation in Medicare, Medi-Cal, Governmental Programs, workers’ compensation services and commercial payor programs. Physician shall provide Services to all patients, including Medicare, Medi-Cal, Governmental Program, and workers’ compensation beneficiaries, in a non-discriminatory manner and in accordance with all applicable laws and SBHCD policies and procedures, as developed and implemented in collaboration with physician leadership of Hospital and Clinic.
- 1.2 **Qualifications of Physician.** Physician shall: (i) be duly licensed to practice medicine 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 Clinic and Hospital and rendition of Services, Physician shall, at all times, comply with the applicable terms of this Agreement and with all applicable federal, state and local laws, rules and regulations, including requirements for participation in the Medicare and Medi-Cal programs, the Hospital medical staff bylaws, rules and regulations, and

applicable policies and procedures, and will at all times be aware of and participate in meeting the SBHCD Corporate Compliance program goals and objectives.

- 1.4 **Credentialing.** In order to be efficiently credentialed with payors contracted with SBHCD, Physician shall participate in the Council for Affordable Quality Healthcare (“CAQH”) credentialing program and shall timely comply with requests from CAQH or SBHCD personnel for (i) credentialing information regarding Physician, and (ii) documents necessary for the credentialing of Physician.
- 1.5 **Use of Premises.** No part of the SBHCD premises shall be used at any time by Physician as an office for the general or private practice of medicine.
- 1.6 **Medical Records/Chart Notes.** Physician shall provide appropriate and necessary documentation for each patient’s medical record for all patient encounters in the Clinic and Hospital in compliance with the hospital’s and clinics’ policies and procedures.
- 1.7 **Coding.** Physician shall properly code all professional services rendered to patients. Physician’s coding shall be used for purposes of billing for Services provided by Physician. All such coding shall be subject to review and audit by an independent auditing company mutually agreed upon by the parties.
- 1.8 **Hospital Call Coverage.** Physician shall be available to take hospital emergency department and unassigned patient call on a rotational basis, as determined in accordance with the standards set forth in Exhibit A without additional compensation or stipend except as indicated in Exhibit A of this Agreement.

## **2. DUTIES AND OBLIGATIONS OF SBHCD**

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

## **3. BILLING AND ASSIGNMENT OF REVENUE**

- 3.1 **Billing and Collection.** SBHCD shall perform billing and collection services under this Agreement. Physician shall cooperate with SBHCD and shall use his/her best efforts to furnish appropriate documentation of patient care services provided by Physician to enable SBHCD to timely and accurately bill and collect for such services.
- 3.2 **Assignment of Professional Service Revenues.** Physician hereby assigns to SBHCD the right to all revenue from any and all patients, third-party payors, and governmental programs for all Services rendered by

Physician at the Hospital and the Clinic under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Physician's services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 30.2.7.

#### 4. COMPENSATION FOR SERVICES BY PHYSICIAN

- 4.1 **Compensation.** As compensation for the provision of Services in the Clinic and Hospital, SBHCD shall pay Physician as outlined in Exhibit A to this Agreement and in accordance with the normal SBHCD contract payment process for Services provided by Physician. Physician shall not bill for facility fees, administrative, supervisory, medical director, or similar services.
- 4.2 **Schedule of Charges.** SBHCD, in its sole and absolute discretion, shall decide upon the schedule of charges for the Clinic and Hospital. Pursuant to California Health and Safety Code Section 32129, the SBHCD Board of Directors may review the fees and charges for Services provided at the Clinic and Hospital to ensure such fees and charges are reasonable, fair, and consistent with the basic commitment of SBHCD to provide adequate health care to all residents within the Hospital Service Area.

#### 5. TERM AND TERMINATION

- 5.1 **Term.** The term of this Agreement shall commence on the Effective Date and continue for a period of three (3) years, unless terminated earlier as provided in this Agreement, and shall renew for successive one (1) year periods upon mutual agreement. 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, however, that in the case of (i) Sections 5.3.1, 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, (iii) Section 5.3.7 this Agreement will terminate immediately upon written notice from SBHCD, and (iv) 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 Physician is in breach of any material term or condition of this Agreement and such breach has not been cured within thirty (30) days following notice of such breach.
  - 5.3.2 SBHCD or Physician becomes insolvent or declares bankruptcy.
  - 5.3.3 The license to practice medicine or to prescribe controlled substances of Physician is revoked or suspended.
  - 5.3.4 SBHCD fails to carry or reinstate the insurance required in Article 8 of this Agreement or such coverage is cancelled or revoked within ten (10) days following notice of revocation from its insurance carrier.
  - 5.3.5 Upon the determination that Physician has violated a material term of Article 9 of this Agreement.
  - 5.3.6 The performance by either party of any term, condition, or provision of this Agreement which jeopardizes the licensure of Hospital, Hospital's participation in Medicare, Medi-Cal or other reimbursement or payment program, or Hospital's full accreditation by The Joint Commission or any other state or nationally recognized accreditation organization, or the tax-exempt status of Hospital's bonds, or if for any other reason such performance violates any statute, ordinance, or is otherwise deemed illegal, or is deemed unethical by any recognized body, agency, or association in

the healthcare fields, and the jeopardy or violation has not been or cannot be cured within sixty (60) days from the date notice of such jeopardy or violation has been received by the parties.

5.3.7 The loss of or reduction in Physician's medical staff privileges at any hospital where Physician provides professional health care services, whether voluntary or involuntary.

5.4 Termination/Expiration Not Subject to Fair Hearing. It is agreed between the parties that should either party exercise its right to terminate this Agreement such decision to terminate, and the actual termination or expiration of this Agreement, shall apply to rights under this Agreement only and not to Physician's medical staff privileges or membership on the medical staff of Hospital. The termination or expiration of this Agreement shall not be subject to the Fair Hearing Plan of the Medical Staff Bylaws, the hearing procedures provided by Healthcare District Law, or any other fair hearing procedure regarding medical staff appointments or privileges.

## 6. INDEPENDENT CONTRACTOR

6.1 Independent Contractor Status. Physician is engaged in an independent contractor relationship with SBHCD in performing all work, services, duties, and obligations pursuant to this Agreement. Neither SBHCD nor Hospital shall exercise any control or direction over the methods by which Physician performs work and functions, except that Physician shall perform at all times in strict accordance with then currently approved methods and practices of Physician's professional specialty. SBHCD's sole interest is to ensure that Physician performs and renders services in a competent, efficient, and satisfactory manner in accordance with high medical standards.

6.2 Independent Contractor Responsibilities. The parties expressly agree that no work, act, commission, or omission of Physician pursuant to the terms and conditions of this Agreement shall be construed to make or render Physician, the agent or employee of SBHCD or Hospital. Physician shall not be entitled to receive from SBHCD or Hospital vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability or unemployment insurance benefits or any other employee benefit.

## 7. REPRESENTATIONS AND WARRANTIES OF PARTIES

7.1 SBHCD for itself, and its directors, officers, employees, and agents (collectively, "Agents"), and Physician (for Physician's Physician(s) and Physicians' 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 for Physician for Services provided by Physician to SBHCD patients during the term of this Agreement in a minimum amount of \$1,000,000 per occurrence and \$3,000,000 annual aggregate. In the event the coverage that SBHCD 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. Physician shall maintain the confidentiality of all Protected Health Information (“PHI”) in accordance with all applicable federal, state, and local laws and regulations, including, but not limited to, the California Confidentiality of Medical Information Act and the Federal Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder (“HIPAA”). Without limiting the foregoing, Physician agrees to maintain PHI, as defined from time to time under HIPAA, which may be made available to or received by Physician pursuant to this Agreement, in accordance with the requirements of HIPAA. Physician agrees that Physician shall:
- 9.1.1 Not use or further disclose PHI in a manner that would violate HIPAA if done by Hospital or violate the requirements of applicable laws or this Agreement;
  - 9.1.2 Use appropriate safeguards to prevent use or disclosure of PHI except as permitted by law and the terms of this Agreement, and report to Hospital any use or disclosure of PHI not permitted by law or by this Agreement of which Physician becomes aware;
  - 9.1.3 Comply with the elements of any compliance program established by Hospital that applies to the use or disclosure of PHI and ensure that any subcontractors or agents to whom Physician provides PHI agree to the same restrictions and conditions that apply to Physician with respect to such PHI;
  - 9.1.4 In accordance with HIPAA, (i) make available PHI to the subject Patient; (ii) make available PHI for amendment and incorporate any amendments to PHI; and (iii) make available the information required to provide an accounting of disclosures of PHI to the subject Patient;
  - 9.1.5 Make Physician’s internal practices, books, and records relating to the use and disclosure of PHI available to the Secretary of the United States Department of Health and Human Services for purposes of determining Hospital’s and Physician’s compliance with HIPAA;
  - 9.1.6 At termination of this Agreement, return or destroy all PHI received from or created by SBHCD and retain no copies of such PHI or, if return or destruction is not permissible under law or the terms of this Agreement, continue to maintain all PHI in accordance with the provisions of this Section and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.
- 9.2 Electronic Protected Health Information (“E PHI”). Physician agrees that Physician will: (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the E PHI that Physician creates, receives, maintains, or transmits on behalf of SBHCD; (ii) report to SBHCD any security incident with respect to E PHI of which Physician becomes aware; and (iii) ensure that any agent, including a subcontractor, to whom Physician provides E PHI 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

Physician: Prathibha Chandrasekaran, M.D.  
1825 Sonoma Street  
Redding, CA 96001

- 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 Clinic and Hospital patient records shall be maintained by SBHCD and are the property of SBHCD. Physician shall have the right to access such records during normal business hours.
- 10.5 No Referrals. Nothing in this Agreement is intended to obligate or induce any party to this Agreement to refer patients to any other party.
- 10.6 Exclusive Property of SBHCD. All data, files, records, documents, promotional materials, and similar items relating to the business of SBHCD, whether prepared by or with the assistance of Physician or otherwise coming into Physician's possession shall remain the exclusive property of SBHCD and shall not be removed from SBHCD's facilities under any circumstances without the prior written consent of SBHCD.
- 10.7 Confidentiality. The parties acknowledge and agree that during the term of this Agreement and in the course of the discharge of Physician's duties hereunder, Physician shall have access to and become acquainted with information concerning the operation of SBHCD, and information which, pursuant to applicable law and regulation, is deemed to be confidential, including, but not limited to, trade secrets, medical records, patient medical and personal information, and personnel records. Physician agrees that such information shall not be disclosed either directly or indirectly to any other person or entity or used by Physician in any way either during the term of this Agreement or at any other time thereafter, except as is required herein. Physician understands breach of this article will be an irremediable breach of this Agreement. Such breach will result in immediate termination of this Agreement.
- 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), Physician agrees that the books and records of Physician will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement. In the event that any of the services to be performed under this Agreement are performed by any subcontractor of Physician at a value or cost of \$10,000 or more over a twelve (12) month period, Physician shall comply and assure that such subcontractor complies with the provisions of Section 952 of the Omnibus Reconciliation Act of 1980. If not applicable to this Agreement, this Section shall automatically be repealed.
- 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

**Physician**  
Prathibha Chandrasekaran, M.D.

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

\_\_\_\_\_  
Prathibha Chandrasekaran, M.D.

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

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

*(The remainder of page left blank intentionally)*

## EXHIBIT A

### PHYSICIAN SERVICES AND COMPENSATION

- A.1 **Further Description of Medical Services.** Physician shall provide professional medical services in Physician's specialty at locations specified by SBHCD, which will be within the SBHCD healthcare district boundaries, or at facilities within thirty (30) miles of the SBHCD Hospital.
- A.1.1 **GI Coverage Panel.** Physician shall serve as member of the GI Coverage Panel on a shared basis such that GI Coverage Panel provides needed services to SBHCD on a five (5) day per week schedule.
- A.1.2. **Professional Services.** Physician shall provide Services in the Clinic and Hospital beginning on the Effective Date. Physician shall provide such services in coordination with other physicians who are contracted with SBHCD to provide similar services to patients and pursuant to a mutually agreed-upon schedule. If Physician and other physicians cannot agree on such a schedule, SBHCD shall determine the schedule.
- A.1.3 **Specialty Services.** Physician shall provide the following **Gastroenterology** Services:
- Management of Physician's own admitted patients; management of the care of patients admitted at the request of and with the attending or referring physician, and thereafter managing the care rendered to such patients; family conferences as requested in consultation with social services; consultations, upon request, for members of the Hospital's Medical Staff, including the hospitalist Physician; and assistance with the management and treatment of patients for whom Physician is responsible as head of a multi-disciplinary team. When the patient has an attending/referring physician, Physician shall include such physician in decision making and keep such physician informed.
- A.1.4 **Clinic Services.** Clinic operating hours are Monday through Friday, from 8:00 a.m. to 5:00 p.m. Physician shall provide the following Clinic Services in the Clinics in accordance with the schedule set forth in Section A.2 of this Exhibit A:
- A.1.4.1 New and follow-up office visits;
  - A.1.4.2 Consultations;
  - A.1.4.3 Post discharge follow-up visits;
  - A.1.4.4 Ensuring the quality, availability, and expertise of medical services rendered in the Clinic and at Clinic-related activities;
  - A.1.4.5 Supervising physician assistants and nurse practitioners (collectively referred to as "Mid-Level Practitioners") as necessary for reimbursement or consult in the absence of the Medical Director;
  - A.1.4.6 Coordination of medical activities of the Clinic as a whole to be accomplished through continuous communication with appropriate SBHCD administrative personnel regarding medical administration of the Clinic;
  - A.1.4.7 Assisting with the development of a plan for quality assurance for the Clinic;
  - A.1.4.8 Provide required chart review and audits of care provided by Mid-Level Practitioners
  - A.1.4.9 Other services as are mutually agreed to be appropriate and appropriately provided in an outpatient setting by a Physician specializing in Gastroenterology.
- A.2 **Schedule.** Physician shall provide Medical Services to SBHCD patients in coordination with the GI Coverage Panel assuring five (5) days per week, every Friday through Wednesday, fifty-two (52) weeks per year, (which includes Clinic time, scheduled operating room time, inpatient rounding, and operating room add-on time) in the Hospital or Clinic setting shall provide Medical Services to SBHCD patients five (5) days per week, every Friday through Wednesday, fifty-two (52) weeks per year, (which includes Clinic



time, scheduled operating room time, inpatient rounding, and operating room add-on time) in the Hospital or Clinic setting..

- A.3 **Hospital Call Coverage.** Physician shall provide emergency department and unassigned patient call coverage (“Hospital Call”) to support the needs of the Hospital, in accordance with Hospital Medical Staff Bylaws; provided, however, that Physician may not discontinue providing Hospital Call pursuant to any provision in the Hospital Medical Staff Bylaws. Hospital Call includes responding to the emergency department, inpatient units, and the operating room.
- A.3.1 **Hospital Call Requirements.** Gastroenterology Call Panel on a schedule of five (5) days per week, Friday through Wednesday, for an annual total of two hundred sixty (260) days per contract year. Hospital Call Coverage begins at 7:00am and ends at 6:59am the next morning.
- A.3.2 **Hospital Call Days Included in Base Compensation.** Compensation amounts include provision of two hundred sixty (260) days of Hospital Call coverage per contract year.
- A.3.3 **Excess Hospital Call Days.** If Physician provides Hospital Call coverage in excess of two hundred sixty (260) days per contract year (“Excess Hospital Call Days”), Physician shall be compensated at the rate of One Thousand Dollars (\$1,000.00) per day.
- A.3.4 **Payment for Excess Hospital Call Days.** The number of days Physician provides Hospital Call coverage shall be reported to SBHCD. Payment of any Excess Hospital Call days due to Physician will be made in accordance with the normal SBHCD payment process.
- A.4 **Compensation.**
- A.4.1 **Compensation Methodology Compliance.** In order to maintain continuity in the Compensation Methodology under this Agreement and to ensure commercial reasonableness and fair market value compensation to Physician for Services provided under this Agreement in compliance with Stark Law and Anti-Kickback regulations, SBHCD and Physician agree that SBHCD retains the right to continue, for the term of this Agreement, application of the compensation formula in this Agreement.
- A.4.2 **Compensation.** Physician’s Compensation, which includes professional services, supervision, and Hospital Call activities (“Compensation”), shall be paid on a monthly basis on SBHCD’s standard payment cycle for similar agreements and shall be in the amount of Three Thousand Dollars and No Cents (\$3,000.00) per 24-hour shift. If Physician shall provide less than twenty-four (24) hour coverage during any shift, SBHCD shall compensate Physician on a pro-rated basis for coverage provided.
- A.4.3 **Payment on Termination.** On termination of this Agreement, which is not extended, renewed or superseded by another agreement, SBHCD shall pay to Physician any amounts due to Physician within forty-five (45) days after the termination of this Agreement.
- A.4.4 **Agreement Includes All Compensation from SBHCD.** Incorporated into compensation under the Agreement, unless specifically excluded, are all the Physician’s sources of practice revenues and income, including Hospital Call coverage stipends, other hospital on-call fees, hospital stipends, and reading fees; provided, however, that services as a medical director within SBHCD, service on medical staff or SBHCD positions such as department chair or chief of staff, call panels which are not currently in effect, or other items specifically excluded by written agreement between Physician and SBHCD shall be independently compensated to Physician by SBHCD, if any, and are not subject to the terms of this Agreement.
- A.4.5 **Housing.** SBHCD will provide Physician with local housing accommodations while Physician is providing Services under this Agreement.

A.4.6 **Expenses.** SBHCD will reimburse Physician for: (a) round-trip mileage (payable at the current standard Internal Revenue Service rate) from/to Physician's practice location to/from Hospital, or (b) standard rental car and flight expenses.

A.5 **Services and Activities in Support of SBHCD.** SBHCD and Physician acknowledge and agree that certain services and activities may be required of Physician in support of SBHCD and Clinic to ensure a continuing high level of patient care. To that end, Physician shall participate in functions/events from time to time, in support of the SBHCD Clinics and the SBHCD facilities. In addition, to assist in the recruitment and retention of highly skilled practitioners, upon SBHCD's request, Physician shall participate in recruitment meetings with SBHCD physician candidates. SBHCD shall reimburse Physician for reasonable meal expenses incurred as part of meeting with physician candidates hosted at the request of SBHCD.

A.6 **Practice Guidelines/Best Quality Practices.** Physician shall demonstrate cooperative work arrangements with the Medical Staff, Quality and Safety Leadership and SBHCD Administration to achieve mutually accepted practice guidelines and the best quality practices. These practices will be evidenced based, and include at minimum the following:

A.6.1 Attendance at regular monthly meetings with SBHCD Clinic and Hospital leadership when requested to review any operational or quality issues.

A.6.2 Timely completion of all incomplete inpatient records, including completion of all admission and discharge medication reconciliation.  
*Goal: As specified by Medical staff rules and regulations or hospital policy.*

A.6.3 Completion of all office visit notes within seven (7) days of visit.

A.6.4 Timely signing of orders.  
*Goal: As specified by Medical staff rules and regulations or hospital policy.*

A.6.5 Timely discharges summaries.  
*Goal: As specified by Medical staff rules and regulations or hospital policy.*

A.6.6 Commitment to use of SBHCD supported electronic health/medical record platforms.

A.6.7 Compliance with all governmental and SBHCD quality reporting initiatives that may come into effect from time to time.

A.6.8 Timely arrival at Hospital for scheduled procedures and Clinic for scheduled patient visits.

DOCTOR: \_\_\_\_\_

FOR THE MONTH OF: \_\_\_\_\_

Fax to: (831)636-2695 or email to: lparnell@hazelhawkins.com

**Instructions:**

Please record the hours spent in each clinic on the proper line of the productivity log. The total hours worked on any given day must equal the sum of the hours spent in each clinic. These hours will be used to meet the Medicare Regulations for productivity standards for Rural Health Clinics. If you were on Emergency call for the day, place a check mark in the ER CALL column on the appropriate day.

\*\*\*\*\*This log must be submitted to the Finance Department prior to the release of your payment. Thank you!\*\*\*\*\*

| DAY IN MONTH | SUNSET | SJB | 1ST ST | 4TH ST | MSC | BARRAGAN | ORTHO | OR/ASC/HMH | TOTAL | ER CALL |
|--------------|--------|-----|--------|--------|-----|----------|-------|------------|-------|---------|
| 1            |        |     |        |        |     |          |       |            |       |         |
| 2            |        |     |        |        |     |          |       |            |       |         |
| 3            |        |     |        |        |     |          |       |            |       |         |
| 4            |        |     |        |        |     |          |       |            |       |         |
| 5            |        |     |        |        |     |          |       |            |       |         |
| 6            |        |     |        |        |     |          |       |            |       |         |
| 7            |        |     |        |        |     |          |       |            |       |         |
| 8            |        |     |        |        |     |          |       |            |       |         |
| 9            |        |     |        |        |     |          |       |            |       |         |
| 10           |        |     |        |        |     |          |       |            |       |         |
| 11           |        |     |        |        |     |          |       |            |       |         |
| 12           |        |     |        |        |     |          |       |            |       |         |
| 13           |        |     |        |        |     |          |       |            |       |         |
| 14           |        |     |        |        |     |          |       |            |       |         |
| 15           |        |     |        |        |     |          |       |            |       |         |
| 16           |        |     |        |        |     |          |       |            |       |         |
| 17           |        |     |        |        |     |          |       |            |       |         |
| 18           |        |     |        |        |     |          |       |            |       |         |
| 19           |        |     |        |        |     |          |       |            |       |         |
| 20           |        |     |        |        |     |          |       |            |       |         |
| 21           |        |     |        |        |     |          |       |            |       |         |
| 22           |        |     |        |        |     |          |       |            |       |         |
| 23           |        |     |        |        |     |          |       |            |       |         |
| 24           |        |     |        |        |     |          |       |            |       |         |
| 25           |        |     |        |        |     |          |       |            |       |         |
| 26           |        |     |        |        |     |          |       |            |       |         |
| 27           |        |     |        |        |     |          |       |            |       |         |
| 28           |        |     |        |        |     |          |       |            |       |         |
| 29           |        |     |        |        |     |          |       |            |       |         |
| 30           |        |     |        |        |     |          |       |            |       |         |
| 31           |        |     |        |        |     |          |       |            |       |         |
| TOTAL        |        |     |        |        |     |          |       |            |       |         |

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

**BOARD OF DIRECTORS  
DISTRICT FACILITIES & SERVICE DEVELOPMENT COMMITTEE  
VIA TELECONFERENCE**

**Thursday, October 20, 2022  
4:00 P.M. – Hybrid Zoom Meeting**

**MINUTES**

**PRESENT:** Jeri Hernandez, Board President  
Bill Johnson, Board Secretary  
Barbara Vogelsang, Chief Clinical Officer  
Mark Robinson, Chief Finance Officer  
Mary Casillas, Chief Operations Officer  
Adrian Flores, Plant Operations Director  
Tina Pulido, Plant Operations/Construction Coordinator

**I. CALL TO ORDER:**

The meeting of the District's Facilities & Service Development Committee was called to order by Jeri Hernandez at 4:00p.m. via Hybrid Zoom. The meeting will be recorded for purposes of taking minutes.

**II. REVIEW OF MINUTES:**

The minutes of the District's Facilities & Service Development Committee of September 19, 2022, were reviewed.

**III. UPDATE ON CURRENT PROJECTS:**

- Grounds Maintenance (Adrian Flores)  
Adrian F. reported that we have installed irrigation and drought tolerant ground cover, this project is completed.
- Parking Lot Reseal (Adrian Flores)  
Adrian F. reported that this project is completed.
- Office Refresh for General Surgeons (Adrian Flores)  
Adrian F. reported that they have passed inspection and will start installing drywall, painting, etc. next week. The project is still scheduled to be completed the end of October beginning of November.
- Front Lobby Registration Doors (Adrian Flores)  
Adrian F. reported that this project is completed.

**IV. UPDATE ON PENDING PROJECTS:**

- CAT Scanner (Mary Casillas)  
Mary C. reported that the 128 slice CT located in the ED is 12 years old and the 64 slice CT in Radiology is too small. They are looking at moving the 128 slice to Radiology, this opening up more space in the ED for additional services.
- Northside SNF Generator Replacement (Adrian Flores)  
Adrian F. reported that the building study has been completed and they will be submitting their findings.

**V. MASTER PLAN:**

- SPC-4d (Adrian Flores)  
Adrian F., nothing new to report.
- Maple Street Project (Mary Casillas)  
Mary C. reported that this project is on hold.
- Current Campus Bed Optimization Plan (Barbara Vogelsang)  
Barbara V., nothing new to report.
- Women's Center 3<sup>rd</sup> Floor Buildout
  - 1) Financing Plan (Mark Robinson)  
Mark R. reported that this project is on hold
  - 2) Design and Buildout Timeline (Mary Casillas)  
Mary C., reported that this project is on hold.

**VI. OPEN DISCUSSION:**

**VII. ADJOURNMENT:**

There being no further business, the meeting was adjourned at 4:29 PM.

RESOLUTION NO. 2022-19

OF THE BOARD OF DIRECTORS OF  
SAN BENITO HEALTH CARE DISTRICT

APPROVING AND ADOPTING A MEMORANDUM OF UNDERSTANDING  
WITH THE CALIFORNIA LICENSED VOCATIONAL NURSES  
ASSOCIATION

Whereas, the San Benito Health Care District (“District”), acting through its appointed negotiation team, and representatives of the California Licensed Vocational Nurses (“LVN”) Association (“Association”), a duly recognized employee organization representing certain LVNs, met and conferred in good faith and fully communicated and exchanged information concerning wages, hours, and the terms and conditions of employment for contract years July 1, 2022 – June 30, 2026;

Whereas, the appointed representatives of the parties agreed on certain matters as provided in the tentative agreement (“Tentative Agreement”), attached hereto, and recommend the District and Association implement that Agreement;

Whereas, the LVNs represented by Association voted to ratify the proposed changes to the existing Memorandum of Understanding with Hazel Hawkins Memorial Hospital (“MOU”), as outlined in the Tentative Agreements;

Whereas, the District Board of Directors (“Board”) has been presented with the Tentative Agreement for approval; and

Whereas, the Board has reviewed and evaluated the Tentative Agreement and authorizes the District to approve and adopt the MOU containing the Tentative Agreement, and authorizes the District Administration to take all steps to execute the necessary documents.

NOW, THEREFORE, BE IT RESOLVED

1. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.
2. The Board has hereby approved the Tentative Agreement for incorporation into the MOU for the period of July 1, 2022 – June 30, 2026.
3. The District Administration is directed to take any and all actions, including executing relevant documents, to carry out the intent of this Resolution.
4. This Resolution shall take effect immediately upon its adoption.

Dated: \_\_\_\_\_, 2022

AYES: \_\_\_\_\_

NOS: \_\_\_\_\_

ABSENCES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

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Board Member  
San Benito Health Care District

RESOLUTION NO. 2022-20

OF THE BOARD OF DIRECTORS OF  
SAN BENITO HEALTH CARE DISTRICT

APPROVING AND ADOPTING A MEMORANDUM OF UNDERSTANDING  
WITH THE CALIFORNIA LICENSED LABORATORY SCIENTISTS AND  
MEDICAL LABORATORY TECHNICIANS

Whereas, the San Benito Health Care District (“District”), acting through its appointed negotiation team, and representatives of the California Laboratory Scientists and Medical Laboratory Technicians (“CLS/MLT”), a duly recognized employee organization representing certain clinical laboratory scientists and medical laboratory technicians, met and conferred in good faith and fully communicated and exchanged information concerning wages, hours, and the terms and conditions of employment for contract years 7/1/2022 – 6/30/2026;

Whereas, the appointed representatives of the parties agreed on certain matters as provided in the tentative agreements (“Tentative Agreements”), attached hereto, and recommend the District and CLS/MLT implement those Agreements;

Whereas, the California Laboratory Scientists and Medical Laboratory Technicians represented by CLS/MLT voted to ratify the proposed changes to the existing Memorandum of Understanding with Hazel Hawkins Memorial Hospital (“MOU”), as outlined in the Tentative Agreements;

Whereas, the District Board of Directors (“Board”) has been presented with a summary of the Tentative Agreements for approval; and

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

NOW, THEREFORE, BE IT RESOLVED

1. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.
2. The Board has hereby approved the Tentative Agreements for incorporation into the MOU for the period of 7/1/2022 – 6/30/2026.
3. The District Administration is directed to take any and all actions, including executing relevant documents, to carry out the intent of this Resolution.
4. This Resolution shall take effect immediately upon its adoption.



RESOLUTION NO. 2022-20

OF THE BOARD OF DIRECTORS OF  
SAN BENITO HEALTH CARE DISTRICT

APPROVING AND ADOPTING A MEMORANDUM OF UNDERSTANDING  
WITH THE CALIFORNIA LICENSED LABORATORY SCIENTISTS AND  
MEDICAL LABORATORY TECHNICIANS

Dated: \_\_\_\_\_, 2022

AYES: \_\_\_\_\_

NOS: \_\_\_\_\_

ABSENTIONS: \_\_\_\_\_

ABSENT: \_\_\_\_\_


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Board Member  
San Benito Health Care District

**Tentative Agreement HHMH to CLINICAL LABORATORY SCIENTISTS AND  
MEDICAL LABORATORY TECHNICIANS 10/21/2022**

 Grant Hill

Friday October 21st, 2022

 Terry Avila

 Mario Quintana

 Bernadette Enderez

**ARTICLE 24 — IN-SERVICE EDUCATION**

A. All regular full-time and part-time Clinical Laboratory Scientists and Medical Laboratory Technician, who have completed their probationary period, are eligible to be paid Continuing Education (CE) Pay for the purpose of maintaining and renewing their Clinical Laboratory Scientists and Medical Laboratory Technician Licensure.

B. Commencing January 1, 2023, forty CE hours shall be granted each year to each Registered Clinical Laboratory Scientists and Medical Laboratory Technician who has completed the probationary period as of January 1. For Clinical Laboratory Scientists and Medical Laboratory Technician hired during the year, the Clinical Laboratory Scientists and Medical Laboratory Technician will obtain the 40 hours of CE upon completion of the probationary period. Any unused hours will be lost as of midnight December 31<sup>st</sup> of each year. As of *(date contract is signed)* Clinical Laboratory Scientists and Medical Laboratory Technician will maintain their then current banks of education leave. These banks and CEs granted hereafter are subject to the following guidelines.

(1) A Clinical Laboratory Scientists and Medical Laboratory Technician who is entitled to Continuing Education (CE) Pay may elect to be paid for hours on a day(s) the Clinical Laboratory Scientists and Medical Laboratory Technician is not normally scheduled to work. For the purpose of home / online study, Clinical Laboratory Scientists and Medical Laboratory Technician will receive payment for CE hours upon presentation of proof of successful completion of courses. For calculation of time, one (1) CEU will be equal to one (1) hour of Continuing Education Pay.

(2) Continuing Education Pay will not be used to calculate overtime hours.

C. Continuing Education Pay shall be paid to the Clinical Laboratory Scientists and Medical Laboratory Technician during the pay period it is used and at their base salary hourly rate of pay. Payment is dependent upon receipt of a certificate or course syllabus signed by course instructor or other proof of participation such as receipt for payment of the course.

D. Requests for Continuing Education Pay, which require a Clinical Laboratory Scientists and Medical Laboratory Technician to be absent from the workplace, must be requested in the same manner as other requests for time off. If a course is fewer than what a Clinical Laboratory Scientists and Medical Laboratory Technician is regularly scheduled to work, a twelve hour Clinical Laboratory Scientists and Medical Laboratory Technician may use up to 12 hours of CE pay and an 8 hour Clinical Laboratory Scientists and Medical Laboratory Technician may use up to 8 hours of CE pay. This time away from the will be

granted at the discretion of the Department Director, based on departmental needs. Examples of such courses are noted below:

- Post-graduate education courses in related subjects leading to an advanced degree or certification in Laboratory specialty
- Seminars and symposia dealing with the practices of Laboratory
- Specialized courses relating to Laboratory practice
- Professional organization sponsored conferences
- Formally organized programs for health professionals open to Clinical Laboratory Scientists and Medical Laboratory Technician
- Courses and programs that have continuing education approval from the CA Department of Public Health, Laboratory Field Services.

## **ARTICLE 10 – COMPENSATION**

The retro payments will be paid by direct deposit in a payroll cycle upon ratification of MOU.

### **Section 1. HOURLY WAGES**

#### **First Year of the Memorandum**

Effective as of the beginning of the first full pay period in January 2022, the Hospital agrees to pay a **2%** increase to the salary schedule for all employees

Effective the First payroll cycle of July 2022, the Hospital agrees to pay a **2%** increase to the salary schedule for all employees.

#### **Second Year of the Memorandum**

Effective as of the beginning of the first full pay period in January 2023, the Hospital agrees to provide a **3.0%** to the salary schedule for all employees.

#### **Third Year of the Memorandum**

Effective as of the beginning of the first full pay period January 2024, the Hospital agrees to provide a **3.0%** to the salary schedule for all employees.

#### **Fourth Year of the Memorandum**

Effective as of the beginning of the first full pay period in January 2025, the Hospital agrees to provide a **3.0%** to the salary schedule for all employees.

## ARTICLE 14 HOLIDAYS AND ARTICLE 16 VACATION

The Employer proposes the deletion of Article 14, 16 and the replacement of those sections with a Paid Time Off system that would include Vacation, Birthday, Float, and Holidays. The employee will retain any accrued and unused vacation hours which will be held in a separate account and will begin accruing PTO hours upon ratification of the contract. The CLS/MLT will be required to first utilize all accrued and unused vacation hours for all paid time off before they can utilize any PTO hours. It is anticipated that once agreement is reached, other references to "vacation" in the MOU will need to be modified and new numbering will be required.

### Paid Time Off (PTO) Policy

#### Paid Time Off

Definition of Paid Time Off. Paid Time Off combines earned vacation with holidays, including Birthday Holiday and Float Holiday into one pool called Paid Time Off (PTO) for use on a scheduled basis by employees. PTO may be used for vacations, holidays, personal time off, or other excused elective absences.

Eligibility. All full-time and regular part-time CLS/MLT are eligible for the PTO program.

PTO Accrual. PTO is accrued every pay period. The accrual is a combination of the holidays listed in part B of this article and earned vacation as follows. The following conversion table applies:

|              |         |
|--------------|---------|
| (a) Year One | 20 days |
| Year Two     | 21 days |
| Year Three   | 22 days |
| Year Four    | 23 days |
| Year Five    | 30 days |
| Year Six     | 31 days |
| Year Seven   | 32 days |
| Year Eight   | 33 days |
| Year Nine    | 34 days |
| Year Ten     | 35 days |
| Year Twenty  | 38 days |

Regular part-time CLS/MLT accrue PTO at a pro-rated basis.

Maximum Accrual, the maximum number of hours that may be accrued is three hundred four (304) hours. Once accrual maximum is achieved, the accrual will cease until the balance drops below the maximum.

Sick Accrual Sick accruals will continue to be separate from PTO hours.

Terminated CLS/MLT. Terminated CLS/MLT will be paid for the balance of PTO hours earned but not used at the time of termination.

No Seasonal Ban: No PTO shall be unreasonably denied because of the season of the year. PTO will be granted in accordance with the staffing needs of the Hospital as determined by the Director of Laboratory Services, who shall also give consideration to the needs of the Nurse.

140

PTO Cash Out.

By December 31, 2022, a CLS/MLT will be permitted to request a cash payment (i.e. "cash out") of up to 100 hours of previously accrued vacation under the previous Article 16 to be paid by the Hospital in January, 2023. Any remaining hours of previously accrued vacation will be paid by the Hospital in July, 2023. Thereafter, an CLS/MLT will be permitted to request a cash payment of accrued PTO by December 31, 2023 and every December 31 thereafter of up to accrued 50 PTO hours for payment in the following January provided that there is at least 40 hours of accrued PTO hours remaining.

Holidays

Schedule of Holidays.

- New Year's Day
- MLK Day
- President's Day
- Memorial Day
- Juneteenth
- Fourth of July
- Labor Day
- Thanksgiving Day
- Christmas Day

Work on a Holiday. CLS/MLT who work in the hospital on nationally recognized holidays listed above will be paid at a rate of time and one-half for hours worked. This paragraph does not apply to the CLS/MLT's birthday and floating holiday.

Definition of a holiday shift for pay purposes. A holiday shift is defined as a shift in which the major portion of the shift is worked on the holiday.

**HEALTH CARE/INSURANCE:**

Due to this high rise in costs, the Hospital proposes an increase in the CLS/MLT contribution as follows:

November 2022, start payments of H&W (Health and Welfare)

HEALTH INSURANCE:

| FULLTIME CLS/MLTS: | YEAR1 | YEAR 2 | YEAR 3 | YEAR 4 |
|--------------------|-------|--------|--------|--------|
| - FAMILY PLAN      | \$200 | \$200  | \$200  | \$200  |
| - SINGLE PLAN      | \$100 | \$100  | \$100  | \$100  |

PART-TIME CLS/MLTS:

- FAMILY PLAN

141

|               |       |       |       |       |
|---------------|-------|-------|-------|-------|
|               | \$250 | \$250 | \$250 | \$250 |
| - SINGLE PLAN | \$150 | \$150 | \$150 | \$150 |

· FAMILIES EXCEEDING 5 MEMBERS WILL BE CHARGED  
\$50 PER MONTH PER ADDITIONAL MEMBER

The Hospital does intend to investigate the ability to provide additional health plans that might be appropriate and will meet and confer with the Union on the results of the Hospital's research. Due to the complexities involved, we anticipate meeting with the Union on this issue within the next year.

**Health care increase for year one will be effective first pay period in upon ratification of contract.**

## **UNION MEMBERSHIP**

### **1. MEMBERSHIP**

During the term of this Agreement, employees may decide, by providing written notice to the Union, to join and become a Union member, or an agency fee payer.

### **2. DEDUCTION OF UNION DUES**

A. During the life of the Agreement, the District will deduct Union membership dues and L.E.A.P. contributions from the wages of each employee who voluntarily agrees to such deductions or contributions with the Union, and who submits a standard written authorization to the Union and/or District.

B. The District shall make deductions on a monthly basis as they are currently deducted, the practice shall continue. The monthly deductions shall be made by the District and shall be remitted to the Union at:  
Engineers and Scientists of California, IFPTE Local 20, AFL-CIO/CLC  
810 Clay Street  
Oakland, CA 94607-3908

### **3. FORFEITURE OF DEDUCTIONS**

If the balance of an employee's wages, after all other involuntary and insurance premium deductions are made in any one pay period, is not sufficient to pay deductions required by this Article, no such deduction shall be made for that period.

### **4. UNION'S RECORD OF FINANCIAL TRANSACTIONS**

The Union agrees to keep an itemized record of its financial transactions and shall make available to the District and to the employees who are members of the Union, within sixty (60) days after the end of its fiscal year, a detailed written financial report thereof in the form of a balance sheet and an operating statement, certified as to accuracy by its president and treasurer or corresponding principal officer, or by a certified public accountant. An employee organization required to file financial reports under the Labor Management Disclosure Act of 1959 covering employees governed by Government Code section 3500 et seq., or required to file financial reports under California Government Code section 3546.5, may satisfy the financial reporting requirement of this Section by providing the public agency with a copy of such financial reports.

### **5. INDEMNIFICATION**

The Union shall indemnify the District and hold it harmless against any and all suits,

claims, demands, and liability that arise out of or by reason of any action that shall be taken in connection with this Article. The Union will have no monetary claim against the District by reason of failure to perform under this Article.

## **ARTICLE 8 WAGES**

### **Section 5. LEAD DIFFERENTIAL**

The District may, in its sole discretion, select and assign a bargaining unit employee to perform lead duties in each of the following sections: Blood Bank, Hematology/Clinical Microscopy, Chemistry, Microbiology, Coagulation/Serology, Point of Care, and Molecular Biology. In such situations, the District will pay the employee a five percent (5%) differential above his/her straight time hourly rate for the actual hours assigned to and worked as a lead.

The parties agree that leads coordinate the workflow among employees within the section; provide technical or functional support to employees; work with management to plan and meet all applicable regulatory requirements, e.g. CLIA and TJC, within the Department; inform District management as it relates to Unit/Department resources, staffing needs, and equipment needs; and perform the regular work of the lead's classification. The parties further agree that leads do not act in the role of a bona fide supervisor and are not given any authority for performance evaluations, disciplinary actions, or decisions to hire or terminate bargaining unit employees.

An employee assigned as a lead will not be removed from the lead role until the employee has received a reasonable opportunity to improve his/her performance as a lead. Such opportunity will include being placed on a Performance Improvement Plan. If the employee has not met the requirements of the Performance Improvement Plan – and is not otherwise being discharged pursuant to Article 25 – the employee will be removed from the lead role. The District's determination to remove an employee from the lead role shall not be grievable.

If an employee assigned as a lead is absent from work, the District may, in its sole discretion: (1) chose to assign another bargaining unit employee to act as a lead while the employee is absent; (2) chose to have the work performed by the Department Manager/Director while the employee is absent; (3) have the lead work performed by a combination of a bargaining unit employee and the Department Manager/Director while the employee is absent; or (4) not have the lead work performed while the employee is absent.

Lead Bargaining Unit Members must have a CLS license.