



Hazel Hawkins
MEMORIAL HOSPITAL

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, MAY 26, 2022 – 5:00 P.M.
SUPPORT SERVICES BUILDING, 2ND-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 lgarcia@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: 931 6668 9955
Passcode: 564382**

AGENDA

	<u>Presented By</u>
1. <u>Call to Order/Roll Call</u>	Hernandez
2. <u>Approval of the Agenda</u>	Hernandez
➤ Motion/Second	Hernandez
3. <u>Board Announcements</u>	
4. <u>Public Comment:</u> This opportunity is provided for members to comment on the closed session items, not to exceed three (3) minutes.	Hernandez
5. <u>Closed Session</u> (pgs. 1-3) (See Attached Closed Session Sheet Information)	Hernandez
6. <u>Reconvene Open Session/Closed Session Report</u> (estimated time 5:45 P.M.)	Hernandez

Hernandez

7. **Public Comment**

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on matters within the jurisdiction of this District Board which are not otherwise covered under an item on this agenda. This is the appropriate place to comment as to 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.

Hernandez

8. **Board Resolution** (pgs. 4-5)

Consider Approval of RESOLUTION NO. 2022-09 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 MAY 31, 2022, THROUGH JUNE 30, 2022.

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

Hernandez

9. **Consent Agenda—General Business** (pgs. 6-27)

(A Board Member may pull an item from the Consent Agenda for discussion.)

- A. Minutes of the Regular Meeting of the Board of Directors April 28, 2022.
- B. Quality Assessment and Performance Improvement Program.

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

Dr. Bogey

10. **Report from the Medical Executive Committee** (pgs. 28-63)

A. Medical Staff Credentials: May 18, 2022

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

B. Medical Staff Synopsis: May 2022

11. **President/Chief Executive Officer (CEO)** (pgs. 64-111)

A. Mission Statement

B. Board Education – Infection Prevention

C. Comments on Officer/Director Reports

- Chief Clinical Officer/Patient Care Services (Acute Facility)
- Provider Services & Clinic Operations
- Skilled Nursing Facilities Reports (Mabie Southside/Northside)
- Home Health Care Agency – No Report
- Laboratory
- Marketing
- Hazel Hawkins Memorial Hospital Auxiliary/Volunteer Services
- Foundation Report

D. CEO Written Report and Verbal Updates

- Administrative Dashboard
- Strategic Plan Update

Hannah
Melissa S.
Hannah

12. **Report from the Finance Committee** (pgs. 112-201) Robinson
- A. **Finance Committee Minutes**
Minutes of the Meeting of the Finance Committee, May 19, 2022.
 - B. **Finance Report/Financial Statement Review**
1. Review of Financial Report for April 2022.
 - C. **Financial Updates**
 - 1. Finance Dashboard
 - 2. Salinas Valley Radiologists – Radiologists Recruitment Agreement.
13. **Recommendations for Board Action** Robinson
- A. **Capital:**
No capital items discuss.
 - B. **Contracts:** (pg. 126) Robinson
 - 1. Proposed approval for Amendment No. 1 to Agreement for services with Steve Clark & Associated, Inc. Consulting Services for the QIP for an additional 12 months, for July 1, 2022, through June 30, 2023, with compensation consistent as described in the March 18, 2021 agreement, that is based upon a flat rate of \$7,500 monthly plus an additional \$2,000 a month based upon the number of metrics for which the hospital is measured.
 - Report
 - Board Questions
 - Motion/Second
 - Public Comment
 - Action/Board Vote-Roll Call
 - C. **Physician Agreements:** Hannah
 - 1. Proposed Approval of Professional Services Agreement and Physician Recruitment with orthopedic surgeon Thomas X. Nguyen M.D. with an effective date of June 15, 2022, for 3 years as described in the contract review worksheet. (pgs. 128-129)
 - Report
 - Board Questions
 - Motion/Second
 - Public Comment
 - Action/Board Vote-Roll Call
 - 2. Proposed Approval of Professional Services Agreement with Central California Anesthesiology Solutions for anesthesia coverage with an effective date of July 1, 2022, for 3 years as described in the contract review worksheet. (pgs. 148-149)
 - Report
 - Board Questions
 - Motion/Second
 - Public Comment
 - Action/Board Vote-Roll Call
 - 3. Proposed approval of Amendment with Pinehurst Hospitalist Medical Group for hospitalist coverage with an effective date of June 1, 2022, for 3 years as described in the contract review worksheet. (pgs. 170-171)
 - Report
 - Board Questions
 - Motion/Second
 - Public Comment
 - Action/Board Vote-Roll Call

4. Proposed Approval of Professional Services Agreement with Cytodiagnosics for pathology and clinical laboratory services with an effective date of July 1, 2022, for 3 years as described in the contract review worksheet. (pgs. 177-178)

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

14. **Report from the Facilities Committee** (pgs. 202-203)

Robinson

- A. Minutes of the Meeting of the Facilities Committee, May 19, 2022.

15. **New Business:**

Hernandez

1. Consider appointment and conduct a swearing-in ceremony of a new Board member to fill a vacancy on the Board of Directors.

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

16. **Adjournment**

The next Regular Meeting of the Board of Directors is scheduled for **Thursday, June 23, 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
MAY 26, 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): _____

[] **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): _____

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

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

Agency claimed against: (Specify name): _____

1.

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): _____

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: Barbara Vogelsang, Chief Clinical Officer

Employee organization: California Nurses Association (CNA)

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.
2. SNF's March 30, 2022 Complaint Survey Defficiencies, RCA, and Plan of Correction.

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. 2022-09
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 MAY 31, 2022 THROUGH JUNE 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) June 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 Special Meeting of the Board of Directors of the District on May 26, 2022, by the following vote.

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Board Member
San Benito Health Care District

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
SUPPORT SERVICES BUILDING, 2ND-FLOOR, GREAT ROOM
In-person and Video Conference**

**THURSDAY, APRIL 28, 2022
MINUTES**

HAZEL HAWKINS MEMORIAL HOSPITAL

Directors Present

Jeri Hernandez, Board Member
Bill Johnson, Board Member
Josie Sanchez, Board Member (Absent)
Rick Shelton, Board Member

Also, Present In-person/Video Conference

Steven Hannah, Chief Executive Officer
Mark Robinson, Chief Financial Officer
Barbara Vogelsang, Chief Clinical Officer
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

The meeting was conducted in-person and via video conferencing and attendance was taken by roll call. Directors Hernandez, Johnson, and Shelton were present. A quorum was present and the meeting was called to order at 5:00 p.m. by Board President, Jeri Hernandez.

2. Approval of Agenda

MOTION: Director Hernandez moved to approve the Agenda and was seconded by Director Johnson. Moved/Seconded/and Unanimously Carried. Ayes: Hernandez, Johnson, Shelton. (Roll Call)

3. ACHD Certification

Director Hernandez and Mr. Hannah reported that the District received ACHD Certification in April, and they thanked Laura Garcia for managing the project.

4. Closed Session

Before going into a closed session, Director Hernandez asked if there was any public comment in regards to the closed session agenda items. There being no public comment, the Board of Directors went into a closed session at 5:04 pm to discuss Labor Negotiations, a Report Involving Trade Secrets, and Hearing Reports from Quality, Risk, and Compliance.

5. Reconvene Open Session/Closed Session Report

The Board of Directors reconvened into Open Session at 5:29 pm. Board President, Jeri Hernandez reported that in Closed Session the Board discussed Labor Negotiations, Report Involving Trade Secret, and Hearing Reports from Quality, Risk, and Compliance. No action was taken.

6. **Public Comment**

Public comment was received.

7. **Board Resolution No. 2022-08**

Item: Consider Approval for RESOLUTION NO. 2022-08 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, APRIL 30, 2022 THROUGH MAY 31, 2022.

No public comment.

MOTION: The Board of Directors moved to approve RESOLUTION NO. 2022-08 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 APRIL 30, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE PERIOD MARCH 24, 2022 THROUGH MAY 31, 2022 and was seconded. Moved/Seconded/and Unanimously Carried. Ayes: Hernandez, Johnson, Shelton. (Roll Call)

8. **Consent Agenda-General Business**

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

- A. Minutes of the Regular Meeting of the Board of Directors, March 24, 2022.
- B. Minutes of a Special Board Meeting of the Board of Directors April 11, 21022.
- C. Minutes of a Special Board Meeting of the Board of Directors April 14, 2022.

No public comment.

MOTION: The Board of Directors moved to approve the Consent Agenda, and was seconded. Moved/Seconded/and Unanimously Carried. Ayes: Johnson, Shelton, Hernandez. (Roll Call)

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

- A. **Credentials Report:** Chief of Staff, Dr. Bogey presented the Credentials Report from April 20, 2022.

Item: Consider Approval of Credentials Report, Four (4) New Appointments, Ten (10) Reappointments, One (1) AHP-Reappointment, and One (1) Resignations/Retirements.

No public comment.

MOTION: The Board of Directors moved to approve the Credentials Report as presented and was seconded. Moved/Seconded/and Unanimously Carried. Ayes: Johnson, Shelton, Hernandez. (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.

7

10. President/Chief Executive Officer

Mr. Hannah thanked Board President, Jeri and all Board members for their service and appreciated their time and dedication as volunteer elected Board Members. He also reiterated the hospital's Mission Statement. Mr. Hannah complimented all the staff and thanked them for their teamwork and collaboration.

Mr. Hannah introduced Thomas Yates from ADAMS Management, Inc.

Hazel Hawkins Benchmarking Data

Thomas Yates provided a presentation on benchmarking data summarizing the financial trends for Hazel Hawkins Memorial Hospital, including salaries, wages, and benefits. He also discussed income projection based on the Critical Access Hospital designation and Non-Critical Access Hospital designation, 2020 Benchmark Comparisons.

Board Education: Recruitment by Melissa Middleton

Melissa, Recruiter for HHMH introduced herself and indicated she is dedicated to recruitment. She stated the Provider Needs Assessment identified that 27.7 FTEs over 18 specialties are needed within the next five years. She noted that the prioritization is Psychiatry, Family Practice, Internal Medicine, General Surgery, OB/GYN, Orthopedic Surgery, and Urology. Melissa provided a summary of the recruitment strategies that are used, the challenges of the positions that are open over 180 days, and all the positions that have been filled.

CEO Report

Mr. Hannah thanked Melissa for her work and dedication and for the value she has added to the recruiting efforts.

Mr. Hannah provided a verbal report in addition to his written report and addressed the following details:

- The historical operating income deficit detailed in Mr. Yate's report was not sufficient for what is needed to adequately fund HHMH in the future. The financial performance of the hospital needs to be significantly improved. He explained that the labor burden as a percentage of net revenue was too large and there are adjustments needed in the cost structure. He explained some wage categories are over-compensated and others that are under-compensated, and that both required correction.
- From publicly available information, and not with the intent of calling any individuals out inappropriately, that of the top 10 highest-paid employees, including the executives at HHMH, 6 are non-management nurses and some of those nurses earn more than some of the executives. He also pointed out that out of the top 30 highest-paid employees, 18 are non-management nurses.
- While historical labor cost trends were not in line with the organization's cost structure, appropriate changes could correct these issues. He explained the labor cost issue was due to compensation of some employee categories and not overstaffing. Several new leaders have been added since his arrival, while some were filling previously existing FTEs with title changes, others were new positions. As an example, he explained briefly that the quality department was not adequately staffed and the leader for that area was in a new position along with several of the staff in the newly structured department.
- The Board members, physicians, administration, employees, and unions that represent them need to understand these issues and be unified in correcting them. Mr. Hannah expressed optimism that if handled correctly, HHMH could have a bright future.
- The "upside-down" organizational chart with the Board at the bottom was reviewed as part of the CEO report. He stated the analogy of a building with a foundation that was strong and stable supporting the rest of the organization. He stated the Board serves as the key foundational component of the organization and has to be solid for the rest of the organization to be stable. Administration and other leaders are additional key components of the foundation. He explained that developing an organizational chart to reflect what happens in most hospitals where the governing body, administration, and other key leaders support the organization helps show how hospitals function. He developed the "upside-down" example for other

hospitals and is bringing that analogy to HHMH. He advised the Board that the upside-down organizational chart could be the official chart for HHMH, or he could merely use it for educational purposes and asked the Board to let him know what they would like to see happen with it.

- Mr. Hannah explained that a letter of intent with CCAS has been executed indicating the administration's decision to select them as the provider of anesthesia services. He indicated the professional services agreement (PSA) would come before the Board for review at the May Board meeting. He noted the primary reason for the administration's decision to select the new group was an economic one and due to the current group requesting more compensation that could not be justified. He explained that the new group was primarily a CRNA group with a full-time physician medical director for the service.

- Mr. Hannah also indicated the hospital inpatient census was 25, and there is an initiative in progress to get additional beds licensed when that need arises.

- COVID-19 data: 4 new cases in the community and approximately 15 active cases in San Benito County.

A full written report can be found in the Board packet for Hazel Hawkins Benchmarking Data, Board Education, and CEO Report.

11. **Report from the Finance Committee**

A full report can be found in the Board packet.

A. Finance Committee Minutes

Minutes of the meeting of the Finance Committee, April 21, 2022, have been provided to the Board.

B. Financial Report/Financial Statement Review

1. Finance Dashboard
2. QIP 3.5 and 4.0 Update.

Mr. Robinson stated that if it wasn't for Critical Access is what has saved the District at this point and the information that Thomas Yates is accurate. He stated that Medicare reimbursement lessens when the District is out of Critical Access.

12. **Recommendation for Board Action**

A. Capital:

No capital items to discuss.

B. Contracts:

No contracts to discuss.

C. Physician Agreements

No physician agreements to discuss.

A full report can be found in the Board packet.

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

- A. Mr. Robinson indicated that the replacement project is going well, and it is scheduled to complete by the 60-day window.

14. **New Business:**

Item: Consideration of approval to fill Board of Director Vacancy by appointment and Accept the Resignation Letter for Zone 4.

MOTION: The Board of Directors moved to accept the resignation letter for Zone 4 and was seconded. Moved/Seconded/and Unanimously Carried. Ayes: Shelton, Hernandez, Johnson. (Roll Call)

Mr. Hannah stated that the vacancy and resignation letter is for Mary Casillas. Director Johnson asked what the process was for appointing a person to fill the chair for Zone 4. Ms. Quinn, Legal Counsel explained that there is a statute that the governing body can fill a vacancy by special election or appointment, and in this case, it is going to be filled by appointment. Director Johnson wanted to confirm that the vacancy was going to be filled by appointment, and it was confirmed that it will be filled by appointment. She also indicated that there will be a Notice of Vacancy that will be posted for 15-days, which allows for applicants to turn in an application. The selected applicants will be interviewed at the May Board meeting. Once the interviews have been completed the Board will decide who will be appointed. When the candidate is appointed he/she will be sworn in that same day by either the Board President, Board Clerk, or Legal Counsel.

MOTION: The Board of Directors moved to fill the vacancy by appointment with the appointment to be set at the May 26, 2022 meeting and direct staff to take all steps to comply with the noticing requirements and application process and was seconded. Moved/Seconded/and Unanimously Carried. Ayes: Johnson, Shelton, Hernandez. (Roll Call)

15. **Adjournment**

There being no further regular business or actions, the meeting was adjourned at 6:57 p.m.

The next Regular Meeting of the Board of Directors is scheduled for **Thursday, May 26, 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.

**Organization-wide Quality Assessment and Performance Improvement Program
2022**

Approved By:

**Quality Improvement
San Benito Health Care District
Medical Executive Committee
Board of Trustees**

Formulated By:

**Chief Clinical Officer
Clinical Services Director Quality & Risk**

Date: 8/5/2021

Revision Dates: 4/5/2022

**Organization-wide Quality Assessment and Improvement Program
2022**

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I. **Mission and Vision**

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.

Values Statement

- ❖ We recognize the value of each employee in providing high quality, personalized care to our patients.
- ❖ We encourage employee involvement in quality improvement to improve processes on an ongoing basis. We advocate participation in community activities.
- ❖ We are committed to involving physicians in partnership, both as consumers of services and as providers in ensuring safe, quality care.
- ❖ We are devoted through services, quality, and innovation to providing continued health care leadership in the communities we serve. We are dedicated to compliance with all federal, state, and local laws, rules and regulations, including confidentiality of patient information.

II. **INTRODUCTION:**

A. Purpose

San Benito Health Care District is dedicated to meeting the needs of our patients in a manner that is consistent with our mission, vision and belief statements. The Organizational Quality Assessment and Performance Improvement plan is designed to provide a systematic and organized program for the promotion of safe, quality patient care and services. The plan outlines improvement principles, organizational structure and approach to continually strive toward our purpose of (1) doing the right things, (2) doing the right things well, and (3) continually improving. Activities are interdisciplinary and collaborative in order to respond to the needs of the customer, patient, physician, employee and community.

Quality Assurance and Performance Improvement projects will aim for system improvements based on interdisciplinary and integrated processes that affect patient care outcomes with appropriate

accountability assumed by the respective Department Directors, Medical Staff Leadership, Administration and Board of Directors.

B. Quality Assurance and Performance Improvement plan

The purpose and intent of the Quality Assurance and Performance Improvement plan (QAPI) is to develop, implement, and maintain an effective, data-driven program that focuses on systems, processes and outcomes of care.



Our Quality Assumptions:

- (1) The quality of a service or product is determined by a careful understanding of the needs & expectations of our customers.
- (2) The improvement of the quality of a product or service is continuous.
- (3) Quality Improvement involves every staff member in the organization.

D. GOALS

The goals of the Quality Assurance and Process Improvement plan are as follows:

- 1) To identify areas that do not meet regulatory standards and to implement process improvements that address the root cause of the problem.
- 2) Identify system failures and institute improvements that advance processes and outcomes for the safety and quality of care.
- 3) To coach and empower all leaders and staff members to participate in process improvement teams.
- 4) To integrate the principles of high reliability and zero harm into our quality structure and culture.
- 5) Shift the primary focus from the performance of individuals to the performance of the organization's systems and processes, while continuing to recognize the importance of the individual competence of credentialed staff and other staff.
- 6) To utilize internal and external customer feedback to improve our services.
- 7) To organize data into useful information, including comparison to internal and external benchmarks through participation in external programs (e.g. CMS, TJC, CQMCC, QIP, CP4P, CHPSO).

- 8) To utilize external information sources representing "Best Practices" in the design of systems to improve patient outcomes and processes.
- 9) To promote a culture of continuous TJC survey readiness.
- 10) To enhance communication between the Medical Staff, Hospital Department/Services, and the Governing Body regarding the conclusions and recommendations resulting from data analysis and the actions taken to address the findings and recommendations.

E. Scope of Activities

The scope of the Organizational Quality Assessment and Performance Improvement Program includes every department and service of the hospital, clinics and SNFs. San Benito Home Health (SBHH) has a separate Quality Assurance and Performance Improvement (QAPI) program to address home health specific workflows and outcomes under the oversight of the Board of Directors and Administrative Leadership.

Quality Improvement activities will address both clinical and organizational functions. These activities are designed to assess key functions of patient care and to identify, study, and correct problems and improvement opportunities found in the processes of care delivery.

The Board of Directors, Administration, Department Leaders and leaders of the organized Medical Staff regularly communicate with each other on issues of safety and quality.

III. Organization and Responsibilities of Leaders

A. Responsibilities

Participation in Quality Improvement activities are the responsibility of everyone employed by San Benito Health Care District. Including those who are on the medical staff, or are contracted with San Benito Health Care District.

B. Oversight and approval for QAPI

The organizational Plan for Quality is reviewed and approved annually by the Director Clinical Services Quality & Risk, the Chief Medical Officer, the Patient Care Advisory Group, the Medical Executive Committee (MEC), the District Quality Practice Committee and the Board of Directors.

Board of Directors

The Board of Directors shall be responsible to ensure the provision of optimal quality care, safety, and organization-wide performance. The Board is ultimately accountable for the safety and quality of patient care provided in every department and service of the hospital, clinics and SNFs and has legal responsibility and operational authority for performance. While maintaining overall responsibility, the Board delegates operational responsibility to the Medical Staff and Administration. The Board shall facilitate Quality Improvement by:

- 1) The Board of Directors authorizes the establishment of a committee structure to implement the QAPI Program (Appendix A: QAPI Department Schedule, Appendix B: QAPI priorities by department).

- 2) Providing direction in setting performance improvement priorities based on our mission, vision, and strategic goals.
- 3) Establishing an organizational culture that supports a commitment to quality and patient safety.
- 4) Ensuring the quality program reflects the complexity of the hospital's organization and services.
- 5) Ensures the quality program is focused on metrics related to improved health outcomes and safety.
- 6) Approve the QAPI Plan.
- 7) Providing adequate resources, both material and work force, to accomplish the QAPI function.
- 8) Receives reports of QAPI data from all departments and services of the hospital including those provided through contracts.
- 9) Reviewing, accepting or rejecting periodic action plans based on findings, actions, and results of program activities regarding the effectiveness of organization-wide quality and safety activities.
- 10) Evaluating on an annual basis, the effectiveness of the quality program as a whole, and if necessary, require modification to organizational structure and systems to improve outcomes.
- 11) Require a process designed to assure that all individuals responsible for the treatment and/or care of patients, whether provided through internal mechanisms or contracted services, are competent.
- 12) Specifies the detail and frequency of data collection.
- 13) To provide a mechanism in which the Chief of the Medical Staff (the individual assigned the responsibility for the organization and conduct of the hospital's medical staff) or designee to consult no less than twice per calendar year with the Board of Directors regarding the quality of care provided to the patients of the hospital.

Medical Executive Committee (MEC) and the Organized Medical Staff

The Medical Executive Committee, accountable to the Board, has the primary authority for activities related to self-governance of the medical staff and for performance improvement of the professional services provided by licensed independent practitioners and other practitioners privileged through the medical staff process. The MEC makes recommendations directly to the governing body based on the conclusions of the MEC's review of QAPI reports from Department Directors or designee and medical staff committees.

The organized medical staff provides leadership for measuring, assessing, and improving processes that primarily depend on the activities of one or more licensed independent practitioners, and other practitioners credentialed and privileged through the medical staff process. The MEC is responsible for review of findings of the assessment process that are relevant to an individual's performance; Focused Professional Practice Evaluation (FPPE) and Ongoing Professional Practice Evaluation (OPPE). The medical staff is actively involved in the measurement, assessment, and improvement of the following:

Data on individual practitioners as well as aggregated data for:

1. Intermediate: OPPE reporting for the following specialties
 - a. Surgery:
 - i. Surgical Site Infection
 - ii. Return to Surgery
 - iii. Event reporting
 - iv. Behavioral incidents

- v. Patient Concerns
- b. Medicine:
 - i. Readmits
 - ii. Length of Stay
 - iii. Event reporting
 - iv. Behavioral incidents
 - v. Patient Concerns
- c. Obstetrics:
 - i. Early elective deliveries before 36 weeks
 - ii. Nulliparous, Term, Singleton, Vertex (NTSV) Cesarean Birth Rate
 - iii. Event reporting
 - iv. Behavioral incidents
 - v. Patient Concerns
- d. Emergency:
 - i. Stroke measures
 - ii. Event reporting
 - iii. Behavioral incidents
 - iv. Patient Concerns
- e. Clinic Physicians and Advance Practice Practitioners:
 - i. Pattern of Diagnostic testing (limited to Hazel Hawkins data)
 - ii. Event reporting
 - iii. Behavioral incidents
 - iv. Patient Concerns
- f. Radiology:
 - i. Stroke turn-around time for stroke
 - ii. Event reporting
 - iii. Behavioral incidents
 - iv. Patient Concerns

2. Identification of OPPE metrics by specialty with automated reporting with Midas + Statit.

The organized medical staff:

- Participates in developing specific indicators to systematically evaluate practitioner care. This may be accomplished by individual medical staff departments or medical staff committees which are approved by the MEC.
- Identifies and analyzes problems and opportunities, recommends actions to the MEC and monitors the effect of the actions taken to determine that problems have been resolved.
- Monitors the appropriateness of clinical practice patterns and significant departures from established patterns of clinical practice.
- Reports Medical Staff QAPI results through the QAPI Committee structure to the MEC and Board of Directors by way of written reports and summaries.

Senior Leadership

Senior leadership supports the maintenance of the QAPI process through allocation of staff and resources necessary to fulfill the requirements of the program. Leaders also:

- Analyze data and information in decision-making that supports the safety and quality of care.
- Perform evaluations of clinically contracted services in collaboration with the respective Department Director and reporting the results of the evaluation through the QAPI Committee structure to the Medical Executive Committee and the Board.
- Regularly evaluate the culture of safety and quality using valid and reliable tools.
- Ensures the participation of appropriate staff members and all departments and services in the program through participation in the QAPI Committee structure.

Quality and Regulatory Compliance

The Quality and Regulatory Compliance departments shall be responsible to support the organization's Quality Improvement principles, strategies, priorities, approach, and methodologies, which includes but is not limited to the following tasks:

- 1) Working with the Medical Staff, and all hospital departments/services, and teams to effectively measure, assess, analyze, and improve the quality and safety of care and services.
- 2) Coordinate Quality Improvement orientation, education and training.
- 3) Facilitate and support Quality Improvement teams.
- 4) Coordinate survey preparations and facilitate a culture of continual survey readiness.
- 5) Maintain the database for all QAPI activities including quality improvement teams, departmental quality measures, medical staff quality and peer review activities.
- 6) Works with the Medical Staff Leadership and hospital leadership to prepare an annual organization-wide evaluation of the Quality Program.
- 7) Facilitates communication of quality improvement activities throughout the organization and the QAPI committee structure to the MEC, Medical Staff and Board at the frequency specified by the Governing Board.
- 8) Works closely with Risk Management to monitor/analyze serious safety events and/or sentinel events and promote patient safety.
- 9) Works with the Medical Staff and hospital leadership to select meaningful quality measures that address the needs of the patients it serves.
- 10) Provides reports using statistical tools & techniques to analyze and display data.
- 11) Compares internal data over time to identify patterns, trends and variations.
- 12) Compares data with external sources.

Hospital Departments

The Department Leaders are accountable for the quality and safety of care/services and performance of their staff and departments. Department Directors are responsible for the systematic monitoring and analysis of the quality and safety of care provided in their departments. Directors will:

- Communicate opportunities for improvement for prioritization.
- Promote the development of standards of care and criteria to objectively measure the quality and safety of care/services rendered in their departments.

- Monitor, analyze and report the processes in their areas that affect patient care, safety, outcomes and satisfaction.
- Design and redesign work processes to improve safety and quality.
- Participate in the evaluation of the performance of contracted services.
- Participate in quality improvement teams.
- Report QAPI data and actions taken as appropriate.
- Communicate the status of departmental quality, patient safety, and survey readiness initiatives regularly to departmental staff members.

The Administrative Leadership Team serves to coordinate organizational quality improvement activities. Membership includes the CEO, CCO, CFO, COO and CMO and on an ad hoc basis the Director for Clinical Services Quality and other clinical and non-clinical staff as appropriate. Leadership Team meetings are scheduled weekly on Tuesdays. Activities include but are not limited to:

- 1) Assist the Governing Board and MEC with development and evaluations of the Quality Improvement Plan.
- 2) Considers the setting, scope and services provided and selects meaningful measures addressing the needs of the patients served.
- 3) Assist the Governing Board and MEC with setting priorities for ongoing measurement of important processes.
- 4) Evaluating the need to reprioritize improvement activities in response to unusual or urgent events identified through measurement and/or changes in the environment of care or community.
- 5) Receive and review reports regarding the effectiveness of organization-wide QAPI activities.
- 6) Review new service proposals ensuring appropriate quality measures are established.
- 7) Analyze and identify trends or patterns that might suggest an improvement opportunity.
- 8) Compare data with external sources when available.
- 9) Review and act upon Opportunity/Process Improvement recommendations.
- 10) Support quality improvement teams, acting upon their recommendations.
- 11) Convening multidisciplinary QI teams for specific improvement efforts, some of which may be triggered by the results of ongoing measurement and/or customer feedback.
- 12) Communicating relevant activities, as necessary, throughout the organization.
- 13) Review Customer Service Surveys, QI Teams, Risk Management, Hospital Committees, Resource Management reports and other executive level data/information impacting organization quality and safety.
- 14) Assist the Board of Directors and MEC with evaluating the effectiveness of the QAPI activities of the hospital departments / services and teams.
- 15) Integrate findings and outcomes of reviews conducted by the Medical Staff that identify systems process issues.
- 16) Determine the education and training needs of the organization related to Quality Improvement.
- 17) Assist the Governing Board and MEC with evaluating and validating corrective action has resulted in improvement.
- 18) Reporting to the Medical Staff and Board of Directors.

Quality and Patient Safety Integration

The Quality and Risk Management programs seek to reduce the frequency and severity of adverse events, thus minimizing loss and contributing to Quality Improvement through risk identification, evaluation, control and education. The Department Directors identify conditions and significant events that could or have caused harm or loss. The Directors will monitor the resolution of risk-related problems and provide appropriate education to employees, Medical Staff and the Governing Body.

The Risk Management analysis of Safety Events includes the adequacy of staffing (number of staff, skill mix and competency of staff). The Risk Director or designee provides Patient Safety and Risk Management

reports to the Medical Executive Committee and the Quality Practice and Patient Satisfaction Committee, a sub-committee of the Board.

B. Establishing Priorities for Quality Improvement

Priorities for Quality Improvement shall be established collaboratively by the Board, Senior Leadership and Medical Staff Leadership. The following criteria will be considered in establishing priorities:

- Mission, Vision and Values
- Strategic Plan, Community needs
- Needs and expectations of patients and families and other customers
- Input from Medical Staff and Employees
- High Volume diagnoses/procedures/processes
- High Risk diagnoses/procedures/processes
- High cost diagnoses/procedures/processes
- Problem prone procedures/processes
- Input from external sources (licensing, regulatory agencies)
- Clinical competency and training needs
- Resources required to make the improvement, both human and material

Prioritization

The Administrative Leadership Team will oversee the setting of priorities for quality improvement activities. Quality Improvement activities may be re-prioritized by the Administrative Leadership Team based on needs and resources. Issues may be reprioritized in response to sentinel/serious safety events identified, through quality indicators tracking and trending, unanticipated adverse occurrences affecting patients, changes in regulatory requirement, changes in patient population, in the environment of care, and/or changes in the expectations or needs of patients, staff or the community.

Reporting

The Administrative Leadership Team or a delegated Leader reports the results of monitoring activities and the improvement action plans as appropriate to the Medical Executive Committee and Board of Directors at the frequency specified by the Board.

C. QUALITY IMPROVEMENT TEAMS

Composition:

Teams are made up of individuals with expertise relating to the processes of care being evaluated.

Activating a Team

Any employee or Medical Staff member may forward a request for a team to the Administrative Leadership Team. Each referral will be evaluated. If the problem/process involves more than one department, the Administrative Leadership Team may authorize the formation of the Team, and assign a Team Leader. If the problem/process affects a single department, the Administrative Leadership Team will forward the referral to a single department for intra-departmental team development. It is imperative that departmental leadership allow staff member(s) time to participate in order for the team to be successful.

IV. Design – Quality Methodology

A. Performance Improvement Methodology

The PDSA model for performance improvement is utilized as the methodical approach to Quality Assessment and Performance Improvement initiatives. The organization will undertake efforts to improve existing processes and outcomes and then sustain the improved performance. To accomplish this, the organization has adopted a performance improvement model:

Plan - Do - Check - Act (PDCA)

Plan - a change or a test, aimed at improvement.

In this phase, analyze what you intend to improve, looking for areas that hold opportunities for change. The first step is to choose areas that offer the most return for the effort you put in-the biggest bang for your buck. To identify these areas for change consider using a Flow chart or Pareto chart.

Do - Carry out the change or test (preferably on a small scale).

Implement the change you decided on in the plan phase.

Check or Study - the results. What was learned? What went wrong?

This is a crucial step in the POCA cycle. After you have implemented the change for a short time, you must determine how well it is working. Is it really leading to improvement in the way you had hoped? You must decide on several measures with which you can monitor the level of improvement. Run Charts can be helpful with this measurement.

Act - Adopt the change, abandon it, or run through the cycle again.

After planning a change, implementing and then monitoring it, you must decide whether it is worth continuing that particular change. If it consumed too much of your time, was difficult to adhere to, or even led to no improvement, you may consider aborting the change and planning a new one. However, if the change led to a desirable improvement or outcome, you may consider expanding the trial to a different area, or slightly increasing your complexity. This sends you back into the Plan phase and can be the beginning of the ramp of improvement.

The performance improvement model is utilized - formally or informally - in improvement efforts throughout the organization.

B. Process and Outcome Measures

The monitoring and analysis process will include at least the following activities:

- 1) Suicide Risk reduction
- 2) Core Measures; IP Sepsis, Outpatient stroke, Outpatient AMI
- 3) Hospital and clinic VBP Programs (e.g. QIP, MIPS)
- 4) NHSN reporting
- 5) Emergency Department; Stroke and Sepsis bundles
- 6) CQMCC measures: Exclusive Breast Milk Feeding and NTSV C-Section rate
- 7) Data on blood and blood component's use
- 8) All reported and confirmed transfusion reactions
- 9) Resuscitation results data

- 10) Significant medication errors
- 11) Significant adverse drug reactions
- 12) Antimicrobial Stewardship data
- 13) Data on operative or other procedures that have the potential to place patients at risk of disability or death
- 14) Data is collected on all significant pathologic diagnoses discrepancies as well as significant discrepancies between preoperative and postoperative diagnoses
- 15) Data on the effectiveness of the hospital response to a change or deterioration in a patient condition (response time for responding to changes in vital signs, cardiopulmonary arrest, respiratory arrest)
- 16) Data on moderate or deep sedation or anesthesia use related adverse events
- 17) Infection Control Data (including Surveillance and goals)
- 18) Culture of Safety Survey data
- 19) The patient's perception of the safety and quality of care, treatment, and services
- 20) Risk Management/Patient Safety data and reports, including the effectiveness of fall reduction activities, including assessment interventions and education
- 21) Comparison of hospital performance through reference databases/benchmarks
- 22) Analyzing and responding to reports of surveys, assessments, licensing, regulatory, and reimbursement authorities
- 23) Staff reported patient safety incidences
- 24) Grievances and Complaints
- 25) Evaluation of processes in response to The Joint Commission Sentinel Event Alerts
- 26) Review and analysis of incidents where the radiation dose index (Computed Tomography Dose Index), dose length product, or size-specific dose estimate from diagnostic CT exams exceeded expected dose index ranges identified in imaging protocols. These incidents are then compared to external benchmarks.
- 27) Patient thermal injuries that occur during magnetic resonance imaging exams
- 28) Injuries resulting from the presence of ferromagnetic objects in the MRI scanner room
- 29) Processes related to ongoing professional practice evaluation and focused professional practice evaluation
- 30) Departmental / Service QAPI from all departments and services of the hospital

The hospital will conduct a root cause analysis, and other investigations as appropriate, in response to a sentinel event, serious safety event or significant near miss. The root cause analysis involves an internal investigation and assessment of the sentinel event to reduce variations and prevent the event from reoccurring in the future.

Design of New Processes

When it is established that there is a need or opportunity to initiate a new service, extend product lines, occupy a new facility, or significantly change existing functions or processes, the design will be based upon the organization's mission, vision and plans. The needs of the patients, staff, and all who use this service will be considered and up-to-date sources of information shall be used to design the process or service.

Quality Measures Focus Selection

Measures for periodic assessment and improvement arise from Employees, Leadership, Medical Staff and other sources. Important functions and processes of care are selected on the basis of which most significantly impact patient care. These may be included, but not limited to the following:

- Problem Prone/High Risk/Volume Processes
- Utilization Review and Risk management findings
- Results of ongoing activities designed to control and prevent infections
- Patient Safety and the reduction of medical errors
- Importance to patient/customer

Data Collection

The staff collects, organizes and analyzes data necessary to determine root causes, track performance, benchmarking, etc. Data is organized in such a manner as to facilitate comparison and trends. The data collection is conducted in a timely and efficient manner. Statistical techniques and data displaying "tools" will be utilized. Tools may include but are not limited to: charts and graphs, Run Charts, Histograms, Pareto Charts, Flow Charts, Cause and Effect diagrams (Fishbone Diagrams), Control Charts, etc.

Frequency of Data Collection

The frequency of data collection and measurement is related to:

- 1) The frequency of the event (affect a large percentage of patients)
- 2) Problem prone processes
- 3) The significance of the event or process monitored:
 - a) What the leaders view as most important
 - b) The extent to which the important aspect of care, processes, and outcomes monitored has been demonstrated to meet expectation or be problem free
 - c) Customer satisfaction responses to measure the extent that the organization meets the needs and expectation of patients/families
 - d) Priority issues and adverse/significant events may require more detail and frequency of measurement activities

The Governing Body specifies the frequency and detail of data collection.

Sample Size

When sampling is appropriate, the representative sample number is determined by the situation or process under review, i.e. intensive review vs. random review. The below illustration is also recommended as a guide for sample size:

- For a population size of fewer than 30 cases, sample 100% of available cases.
- For a population size of 30 to 100 cases, sample 30 cases.
- For a population size of 101 to 500 cases, sample 50 cases.
- For a population size greater than 500 cases, sample 70 cases.

A case refers to a single instance in which a situation related to a survey finding occurs.

Population size totals may be interpreted as "annually" unless otherwise specified.

C. IMPROVE

Appropriate action will be recommended and implemented to eliminate or reduce variations identified or to improve quality of care. Multidisciplinary QI Teams will be initiated at the direction of the Quality Improvement Council to address identified opportunities.

Re-design/Design of Improvement Initiatives (Re-Assessment Process)

The effectiveness of any action taken is assessed and documented. Periodic monitoring of the results of correction action, including re-design of processes, will be conducted to make sure that any problems identified have been alleviated or eliminated and the improvement sustained. Any design/re-design initiative(s) will be evaluated for their effectiveness. If the specific area does not show improvement, new actions/design will be taken and, once again, the effectiveness will be assessed.

Communication and Reporting

To coordinate the quality improvement activities throughout the organization, the Director Clinical Services Quality will receive and have access to all QI information. Department leaders will communicate their quality activities and performance to their employees, to the Senior Leader to whom they report, and/or to Quality using the approved reporting forms and format. Measurement and assessment activities are reported to the Performance Improvement Patient Safety Committee (PIPS), the Quality Practice Committee, Medical Executive Committee, and to the Governing Board at the frequency specified by the Board.

Feedback from organizational QAPI activities is provided at Leadership group meetings, in departmental staff meetings, hospital newsletters and between the Medical Executive Committee and Board as appropriate.

VI. Staff Development/Education

Staff will be introduced to Quality Assessment and Performance Improvement concepts and objectives during new Employee orientation, department staff meetings, hospital publications and in-services as needed. Employees are encouraged to participate in the team process which provides additional "just in time" training.

VII. Annual Program Evaluation

The effectiveness of the Quality Assessment and Performance Improvement Program is evaluated annually and revised as necessary by department leaders and reported to the Quality Practice Committee, the MEC, and Board of Trustees.

VIII. Confidentiality

Confidentiality shall be maintained, based on full respect of the patient's right to privacy and in keeping with Hospital Policy and State and Federal Regulations governing the confidentiality of quality improvement work products.

IX. Retention of Records


All minutes of meetings are maintained as defined in the Record Retention policy either in their original form or electronically. Cumulative quality improvement activity reports are maintained for three years either in their original form, or electronically.

APPROVAL:



Director Clinical Services Quality & Risk

5/10/2022
Date



CMO

5/10/22
Date



CCO

5-12-22
Date



Patient Care Advisory Group

5/10/22
Date

Medical Executive Committee

Date

Board of Directors

Date

Appendix A: QAPI Department Priorities and Schedule

Department	Project
Maternity Care / OB	Improvement of Nursing Care and Response through Obstetric Emergency Simulation and Debrief
ED / Level IV Trauma / Stroke	Fall Reduction Project
Nursing Services / ICU / MS	Fall Reduction Project
Surgical Services	Improved Efficiencies in Operating Room Turnover
Lab	Blood and Blood Product Administration Policy Compliance
Medical Staff	Medical Staff Event Tracking
Nutrition Services	The role of the registered dietitian in the MDR team
EVS	Fall Reduction Project
Respiratory Services	Bedside Medication Verification
Human Resources	TBD
Employee Health Services	Increasing Influenza Rates
Infection Prevention	C.Diff Reduction Project
Radiology	Reject Analysis Program
Pharmacy	After Hours Medication Error Reduction
Quality / Risk Management	Fall Reduction Program Improving Access to Policies in Lucidoc
Registration	Patient Experience Improvement Project

Performance Improvement / Patient Safety

- All Departments Participate / Identify or continue a Performance Improvement Project
- Meetings are on the 4th Thursday of the month; Directors provide report information one week in advance

	2022 Reporting Schedule.											
	January	March 2nd	March 24th	April	May	June	July	August	September	October	November	December
Maternity Care / OB	Red			Red			Red			Red		
ED / Level IV Trauma / Stroke		Green			Green			Green			Green	
Nursing Services / ICU / MS			Yellow			Yellow			Yellow			Yellow
Surgical Services			Yellow			Yellow			Yellow			Yellow
Lab		Green			Green			Green			Green	
Medical Staff	Red			Red			Red			Red		
Nutrition Services			Yellow		Green			Green			Green	
EVS	Red			Red			Red			Red		
Cardiopulmonary Services			Yellow		Green			Green			Green	
Human Resources			Yellow			Yellow			Yellow			Yellow
Employee Health Services	Red			Red			Red			Red		
Infection Prevention		Green			Green							
Radiology	Red			Red			Red			Red		
Pharmacy						Yellow			Yellow			Yellow
Quality / Risk Management	Red			Red			Red			Red		
Registration			Yellow			Yellow			Yellow			Yellow
Home Health					Green			Green			Green	

Appendix B: National Patient Safety Goals

PATIENT SAFETY GOALS

TJC National Patient Safety Goals 2022

GOAL 1	GOAL 2	GOAL 3	GOAL 4	GOAL 5	GOAL 6
					
Use at least two patient identifiers when providing care	Improve the Effectiveness of communication among caregivers	Improve the safety of using medications	Reduce patient harm associated with clinical alarm systems	Reduce the Risk of Health Care-Associated Infections	The critical access hospital identifies safety risks inherent in its patient population
NPSG.01.01.01	NPSG.02.03.01	NPSG.03.04.01	NPSG.06.01.01	NPSG.07.01.01	NPSG.15.01.01



MEMORIAL HOSPITAL
SKILLED NURSING FACILITIES
HOME HEALTH AGENCY

San Benito Health Care District

**MEDICAL EXECUTIVE COMMITTEE
CREDENTIALS REPORT
MAY 18, 2022**

NEW APPOINTMENTS

PRACTITIONER	DEPT/SERVICE	STATUS	PROCTOR ASSIGNED

REAPPOINTMENTS

PRACTITIONER	DEPT/SERVICE	STATUS	TERM
Bottari, Brendan MD	Radiology/Radiology SVR	Provisional to Active	2 yr
Dicus, Michael MD	Medicine/Nephrology	Consulting	2 yr
Zhang, Zachary MD	Radiology/Radiology SVR	Provisional to Active	2 yr

ADDITIONAL PRIVILEGES

PRACTITIONER	FIELD	SERVICE

ALLIED HEALTH – NEW APPOINTMENT

PRACTITIONER	FIELD	STATUS

AHP – REAPPOINTMENTS

PRACTITIONER	DEPT/SERVICE	STATUS	TERM
Flores, Marcia WHNP	Clinics/NP Women's Health	Current	2 yr

RESIGNATIONS/RETIREMENTS

PRACTITIONER	DEPT/SERVICE	CURRENT STATUS/DEPT	COMMENT
Pereles, F. Scott MD	Radiology/Radiology	Provisional	Resign per SVR

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- 08-25 Patient Assistance Programs
- 08-26 Biosimilar Agents

09. STORAGE

- 09-01 Storage: General
- 09-02 Floor Stock
- 09-03 Expiration and Beyond-Use Dates
- 09-04 Temperatures: Storage
- 09-05 Refrigeration, Freezing and Warming
- 09-06 Inspections of Medication Areas
- 09-07 Chemicals
- 09-08 Bedside Storage
- 09-09 Vaccines

10. ORDERING/TRANSCRIBING

- 10-01 Orders: Clinical Privileges and Legal Authority to Order Medications
- 10-02 Orders: Medications
- 10-03 Orders: Verbal / Telephone
- 10-04 Orders: Metric System
- 10-05 Orders: Automatic Stop
- 10-06 Orders: Processing by Nursing
- 10-07 Orders: Stat
- 10-08 Orders: Prescribers' Signatures and DEA Numbers
- 10-09 Orders: PRN
- 10-10 Orders: Order Sets, Protocols, and Standing Orders
- 10-11 Orders: Hold
- 10-12 Orders: Resume
- 10-13 Orders: Titrating
- 10-14 Orders: Taper
- 10-15 Orders: Range
- 10-16 Orders: Compounded Preparations from Outside Pharmacies
- 10-17 Orders: Devices for Administering Medications
- 10-18 Orders: Pediatric Weight-Based
- 10-19 Orders: Radiology Protocols
- 10-20 Orders: Medications with Risk Management and Mitigation Strategy (REMS) Requirements
- 10-21 Orders: Signed and Held Orders
- 10-22 Orders: Incorporating Patient Preference into PRN Orders
- 10-23 Orders: Radiopharmaceuticals

11. PREPARATION/DISPENSING

- 11-01 Dispensing: General
- 11-02 Dispensing: Verification/Clarification of Orders
- 11-03 Dispensing: Patient Profiles
- 11-04 Dispensing: Containers
- 11-05 Dispensing: Labels
- 11-06 Dispensing: Obtaining Medications when the Pharmacy is Closed
- 11-07 Dispensing: Obtaining Medications from After-Hours Stocks
- 11-08 Prepackaging
- 11-10 Pharmacist Review of Orders
- 11-11 Vinca Alkaloids
- 11-12 Labeling Medications during Procedures
- 11-13 Pharmacist Review of Orders in the Emergency Department
- ~~11-14 Partial and Crushed Tablets~~ Will implement at later date
- 11-15 Off-Site Review of Orders

12. AUTOMATED DISPENSING

- 12-01 Automated Dispensing Cabinets
- 12-02 Automated Dispensing Cabinets: General Issues
- 12-03 Automated Dispensing Cabinets: Access
- 12-04 Automated Dispensing Cabinets: Patient Information
- 12-05 Automated Dispensing Cabinets: Removal, Return and Waste
- 12-06 Automated Dispensing Cabinets: Overrides
- 12-07 Automated Dispensing Cabinets: Audits
- 12-08 Automated Dispensing Cabinets: Controlled Substance Discrepancy Resolution
- 12-09 Automated Dispensing Cabinets: Reports
- 12-10 Automated Dispensing Cabinets: Downtime Procedures
- 12-11 Automated Dispensing Cabinets: Billing
- 12-12 Automated Dispensing Cabinets: Archiving Data

13. MEDICATION ADMINISTRATION

- 13-01 Administration of Medications: General
- 13-02 Administration of Medications: Self-Administration
- 13-03 Administration of Medications: Patient's Own Medications
- 13-04 Administration of Medications: Medication Administration Record (MAR)
- 13-05 Administration of Medications: Recording in Patient's Record
- 13-06 Administration of Medications: Enteral/Feeding Tube
- 13-07 Administration of Medications: Pediatric Patients
- 13-08 Administration of Medications: Geriatric Patients
- 13-09 Administration of Medications: IV Medications
- 13-10 Administration of Medications: Independent Double Check
- 13-11 Administration of Medications: Filters for IV Administration
- 13-12 Administration of Medications: Infusions Pumps

- 13-13 Administration of Medications: Anesthesia
- 13-14 Administration of Medications: Hazardous Drugs
- 13-20-01 MM Med Admin - Drug Protocols - Alteplase for Ischemic Stroke
- 13-20-02 MM Med Admin - Drug Protocols - Epidural Analgesia – Continuous
- 13-20-03 MM Med Admin - Drug Protocols - Epidural Analgesia - with Central Opiate
- 13-20-04 MM Med Admin - Drug Protocols - Fibrinolytic Therapy
- 13-20-05 MM Med Admin - Drug Protocols - Gentamicin Once Daily Dosing
- 13-20-06 MM Med Admin - Drug Protocols - ICU and ED IV Medication Administration
- 13-20-07 MM Med Admin - Drug Protocols - Insulin - Gestational Diabetic – Intrapartum Care
- 13-20-08 MM Med Admin - Drug Protocols - INSULIN - Mixed Dose - Single Syringe
- 13-20-09 MM Med Admin - Drug Protocols - Intrauterine Amnio Infusion
- 13-20-10 MM Med Admin - Drug Protocols - IV Drug Preparation, Rates and Storage
- 13-20-11 MM Med Admin - Drug Protocols - Labor Epidural
- 13-20-12 MM Med Admin - Drug Protocols - Magnesium Sulfate Infusion
- 13-20-13 MM Med Admin - Drug Protocols - Pitocin - Labor Induction
- 13-20-14 MM Med Admin - Drug Protocols - Potassium - Concentrated – IV
- 13-20-15 MM Med Admin - Drug Protocols - PPD - Tuberculin Skin Test
- 13-20-16 MM Med Admin - Drug Protocols - PROPOFOL-A SHORT ACTING TITRATABLE SEDATIVE HYPNOTIC
- 13-20-17 MM Med Admin - Drug Protocols - TOLCOLYTICS IN PRETERM LABOR
- 13-20-18 MM Med Admin - Drug Protocols - Toradol – IV
- 13-20-19 MM Med Admin - Drug Protocols – TPN
- 13-20-20 MM Med Admin - Drug Protocols - Vaccines – MMR
- 13-20-21 MM Med Admin - Drug Protocols - Vaccines - Newborn Hepatitis B
- 13-20-22 MM Med Admin - Drug Protocols - VASOPRESSIN Infusion
- 13-20-23 MM Med Admin - Drug Protocols - Therapeutic Interchange of Medications
- 13-20-24 MM Med Admin - Drug Protocols - Renal Dosing

14. MONITORING THE EFFECTS OF MEDICATIONS

- 14-01 Medication Therapy Monitoring/Monitoring the Effects of Medications on Patients
- 14-02 Pharmacokinetics Dosing Service
- 14-03 Medication Errors
- 14-04 Adverse Drug Reactions (ADRs)
- 14-05 Vaccine Adverse Events Reporting System (VAERS)
- 14-06 Monitoring of Anticoagulants
- 14-09 Antimicrobial Stewardship

15. CONTROLLED DRUGS

- 15-01 Controlled Drugs: Distribution and Accountability (General)
- 15-02 Controlled Drugs: DEA Registration and Power of Attorney
- 15-03 Controlled Drugs: Ordering from Suppliers
- 15-04 Controlled Drugs: Transfers Between Registrants
- 15-05 Controlled Drugs: Dispensing
- 15-06 Controlled Drugs: Disposition/Destruction
- 15-07 Controlled Drugs: Inventories (Perpetual)
- 15-08 Controlled Drugs: Inventories (DEA and State)
- 15-09 Controlled Drugs: Inventories (Supplemental)
- 15-10 Controlled Drugs: Administration
- 15-11 Controlled Drugs: Anesthesia
- 15-12 Controlled Drugs: Abuses and Losses
- 15-13 Controlled Drugs: Controlled Substance Patches
- ~~15-14 Controlled Drugs: Automated Tracking Systems~~ Will be implemented with C-II Safe install
- 15-15 Controlled Drugs: Diversion Prevention and Detection

16. EMERGENCY SERVICES

- 16-01 Emergency Pharmacy Services
- 16-02 Emergencies: Medical (Cardiopulmonary)
- 16-03 Poison Control
- 16-04 Emergency Medications
- 16-05 Emergency Preparedness
- 16-06 Malignant Hyperthermia

17. CONTINUUM OF CARE (PC)

- 17-01 Temporary Leave Medications (Pass, Leave of Absence, or Furlough)
- 17-02 Discharge Medications
- 17-03 Prescriptions: Ambulatory
- 17-04 Emergency Department Dispensing
- 17-06 Communication Between Shifts
- 17-07 MM Cont of Care - Home Intravenous Infusion Therapy

MANAGEMENT OF THE ENVIRONMENT OF CARE (EC)

18. SAFETY

- 18-01 Safety: General
- 18-02 Electrical Safety
- 18-03 Fire Safety
- 18-04 Incidents
- 18-05 Equipment and Devices
- 18-06 Drugs and Devices with Manufacturer's Defects

- 18-07 Recalls: Medications
- 18-08 Recalls and Hazard Notices: Medical Devices
- 18-09 Unusable Medications and Devices

19. HAZARDOUS MATERIALS

- 19-01 Hazardous Materials/Substances: OSHA Hazard Communication Standard, Pharmacy Hazard Communication Program, and Material Safety Data Sheets (MSDS)
- 19-02 Hazardous Materials/Substances: Hazardous Chemicals
- 19-03 Hazardous Materials/Substances: Waste Disposal
- 19-04 Hazardous Materials/Substances: Pharmaceutical Waste

20. SECURITY

- 20-01 Security of Staff and Medications
- 20-02 Pharmaceutical Representatives Guidelines
- 20-03 Hostile Events (e.g., Robbery, Violence, and Hostage Situations)
- 20-04 Contraband (Illicit) Drugs and Devices

SURVEILLANCE, PREVENTION, AND CONTROL OF INFECTION (IC)

21. INFECTION CONTROL

- 21-01 Infection Control: General Guidelines for Pharmacy
- 21-02 Infection Control: Hand Washing
- 21-03 Infection Control: Standard Precautions
- 21-04 Infection Control: Bloodborne Pathogens – Occupational Exposure
- 21-05 Infection Control: Single-Dose Sterile Medications and Devices
- 21-06 Infection Control: Multiple-Dose Sterile Medications
- 21-07 Infection Control: Shelf Life of Stored Sterile Items
- 21-08 Infection Control: Disposal of Contaminated Items

22. COMPOUNDING

- 22-01-01 Compounding – General: Regulatory, Accreditation, and USP Compliance
- 22-01-02 Compounding – General: Nonsterile Preparations
- 22-01-03 Compounding – General: Use of Compounding Pharmacies, Nuclear Pharmacies, and Outsourcing Facilities
- 22-01-04 Compounding – General: Immediate Use Compounded Sterile Preparations
- 22-01-05 Compounding – General: Assessment of Risk for Hazardous Drugs
- 22-01-07 Compounding – General: Radiopharmaceuticals
- 22-01-08 Compounding – General: Compounding Allergen Extracts
- 22-01-09 Compounding – General: Storage of Products Used for

	Compounding
22-02-01	Compounding – Personnel: Compounding Personnel
22-02-02	Compounding – Personnel: Oversight of Compounding
22-02-03	Compounding – Personnel: Acknowledgement of Risk for Handling Hazardous Drugs
22-02-04	Compounding – Personnel: Competence for Nonsterile Compounding
22-02-05	Compounding – Personnel: Competence for Sterile Compounding
22-03-01	Compounding – Facility: Nonsterile Compounding Facility
22-03-02	Compounding – Facility: Sterile Compounding Facility
22-03-03	Compounding – Facility: Certification
22-04-01	Compounding – Documents: Master Formulation Records
22-04-02	Compounding – Documents: Compounding Records
22-04-03	Compounding – Documents: Equipment Documentation
22-05-01	Compounding – Nonsterile: Nonsterile Compounding Procedures
22-05-03	Compounding – Nonsterile: Beyond-Use Dates for Nonsterile Compounds
22-05-04	Compounding – Nonsterile: In-Use Times for Components Used in Nonsterile Compounding
22-06-01	Compounding – Sterile: Sterile Compounding Procedures
22-06-03	Compounding – Sterile: Hand Hygiene and Garb
22-06-04	Compounding – Sterile: Personal Protective Equipment for Handling Hazardous Drugs
22-06-05	Compounding – Sterile: Aseptic Technique
22-06-07	Compounding – Sterile: Adjusting Volume of Solutions
22-06-08	Compounding – Sterile: Latex-Sensitive Patients
22-06-09	Compounding – Sterile: Intrathecal Medications
22-06-10	Compounding – Sterile: Automated Compounding Devices
22-06-11	Compounding – Sterile: Repeater Pumps
22-06-12	Compounding – Sterile: Compounding Sterile Preparations from Nonsterile Ingredients
22-06-13	Compounding – Sterile: Batch Records
22-06-14	Compounding – Sterile: Beyond-Use Dates for Sterile Compounds
22-06-15	Compounding – Sterile: In-Use Times for Single-Use Containers and Multiple Dose Vials
22-06-16	Compounding – Sterile: Labeling Compounded Sterile Preparations
22-06-18	Compounding – Sterile: Final Verification of Compounded Sterile Preparations
22-06-19	Compounding – Sterile: Transporting CSPs to Nursing and Procedural Areas
22-06-20	Compounding – Sterile: Redispensing Unused CSPs
22-07-01	Compounding – Cleaning: Cleaning and Disinfecting Non-Hazardous Compounding Areas
22-07-03	Compounding – Cleaning: Cleaning Products
22-08-01	Compounding – Environmental Monitoring: Daily Monitoring

22-08-02 Compounding – Environmental Monitoring: Electronic Air Sampling
22-08-03 Compounding – Environmental Monitoring: Surface Sampling
22-08-04 Compounding – Environmental Monitoring: Incubators
22-09-01 Compounding – Spill Control: Spill Control
22-10-01 Compounding – Quality Plan: Quality Plan
22-10-02 Compounding – Quality: Recall of Compounded Preparations

Directors->Policy and Procedure-> POLICY ARCHIVE 2019-> Departmental -> pharmacy			
Hazel Hawkins Policy	Updated Cardinal Policy #	Reccomended Action	Comments
ACCESS AND TRANSPORTATION OF STOCK MEDICATIONS BETWEEN FACILITIES	20-01 Management of the Environment of Care (Security); Security of Staff and Medications	Adopt Cardinal policy and add details for each scope of practice listed in Hazel Hawkins Policy	Hazel Policy is specific to departments, but does the rest of the info in the Cardinal Policy
Accreditation Program: Hospital Chapter: Medication Management	Medication Management Sections 08-12	Adopt Cardinal policies which will cover in more detail the topics of this policy	HH policy is a list of the element of performance MM.05.01.01. Cardinal has multiple policies that each of these EPs in more depth.
ADMINISTERING MIXED DOSE OF INSULIN USING SINGLE SYRINGE AND NEEDLE	This is a nursing admin policy. Not a pharmacy policy.	Move to nursing- tag pharmacy	This is a nursing admin policy. Not a pharmacy policy
ADMISSION OF THE HIGH RISK NEWBORN	This is an OB/Nursery Policy	Move to OB- tag pharmacy	medications are not the focus of this policy
ADMISSION OF THE LOW RISK	This is an OB/Nursery Policy	Move to OB- tag pharmacy	medications are not the focus of this policy
AFTER HOUR PROCUREMENT OF EQUIPMENT AND MEDICATIONS	11-07 Medication Management – Preparation & Dispensing; Dispensing: Obtaining Medications from After-Hours Stock	Update Pharmacy Hours- offer to move to nursing policy b/c applies to more than just pharmacy access	There is no after hours pharmacy access, but there is to other areas and equipment by nursing. 11-0 detailed for pharmacy purposes.
ANESTHESIA NARCOTIC LOCKED BOX POLICY	N/A	remove policy- no longer needed due to Pyxis A systems	
ANESTHESIOLOGIST OR PHYSICIANS POST-OP ORDERS	Section 10 is devoted to orders	Move to OR- tag pharmacy	This is department specific to OR. Medication control policies for pharmacy should cover all departments
ANTICOAGULATION MONITORING GUIDELINES (NPSG 3E 03.05.01)	04-05 Improving Organizational Performance: Performance Improvement: Anticoagulant Therapy 08-14 Medication Management – Selection/Procurement: High-Alert Medications 10-05 Medication Management – Ordering & Transcribing Orders: Automatic Stop 11-14 Medication Management – Preparation & Dispensing Partial and Crushed Tablets 13-01 Medication Management – Administration : Administration of Medications: General (available on 411)Policy: Anticoagulation Management	replace with Cardinal manual and clinical policy	Current policy does not address reversal or anti other than LMWH and Warfarin classes. Will also implement CAH reversal policy
AUTOMATIC RENAL DOSE ADJUSTMENT 12.09	13-20-24 MM Med Admin - Drug Protocols - Renal Dosing	adopted HH policy as a new CAH policy specifically for renal dosing at HH	
AUTOMATIC STOP ORDERS	10-05 Medication Management – Ordering & Transcribing - Orders: Automatic Stop	adopt specific ASO's into CAH policy	moved specific HH ASO's to CAH policy

CARDIOPULMONARY RESUSCITATION (CODE BLUE)	Medication Management – Emergency Services - Emergencies: Medical (Cardiopulmonary)	shift to Emergency Services or Critical Care Policy	HH policy only covers the pharmacy role in the the cardinal policy says we will follow the hospital policy for version control. Pharmacy policy just hospital policy so they don't conflict if things ch
COMPLETION OF ANESTHESIA RECORD	13-13 Medication Management – Administration: Administration of Medications: Anesthesia 15-11 Medication Management – Controlled Substances: Controlled Drugs: Anesthesia	Move to surgery or anesthesia	Not sure why this is a policy? Were we having i anesthesia not filling out their own documental Definetely not a pharmacy policy. The HH polic to anesthesia and not necessarily medications. 15-11 also cover scope of anesthesia medication management and documentation.
CONTRAST MEDIA	08-10 Medication Management – Selection/Procurement- Contrast Media	adopt Cardinal	Have adopted pertinent HH specific policy langu CAH policy.
CONTROLLED DRUG DISTRIBUTION	Section 15: Controlled Drugs	adopt Cardinal	current policy needs has specificity for wholesa may change.
CONTROLLED DRUG MANAGEMENT ON PATIENT CARE UNITS	Section 15: Controlled Drugs	adopt Cardinal	current policy still contains anesthesia box refer more complete to just do section 15 in cardinal
CONTROLLED SUBSTANCES –PHARMACY	Section 15: Controlled Drugs	adopt Cardinal	elements of this are also in controlled drug disti would be easier to just adopt section 15 then tc
DISCHARGE PRESCRIPTIONS	17-02 Continuum of Care -Discharge Medications	adopt Cardinal	double check for elements of reporting to CURE BOP specific elements
DISPENSING MEDICATIONS SAFELY	Sections 11 Preparation and Dispensing Section 12 Automated Dispensing	adopt Cardinal	sections of HH policy are covered in more detail policy sections 11 and 12
DISPOSAL OF MEDICATION PRESCRIPTIONS AND STOCK	09-03 Medication Management – Storage: Expiration and Beyond-Use Dates 18-09 Management of the Environment of Care (Safety):Unusable Medications and Devices 21-07 Surveillance, Prevention, and Control of Infection- Infection Control: Shelf Life of Stored Sterile Items 18-01 Management of the Environment of Care (Safety) - Safety: General 18-03 Management of the Environment of Care (Safety)- Fire Safety 18-09 Management of the Environment of Care (Safety)- Unusable Medications and Devices	adopt Cardinal	policy sections are covered in multiple policies i Cardinal template manual, this would be duplic
DRUG – NUTRIENT INTERACTION	03-01 Education (of Patients and Family)-Education: Patient and Family	adopt Cardinal	adopted language into CAH policy 03-01 for this policy section is complete in cardinal manual- w membe<795> & <800> committee.
DRUG COMPOUNDING	Section 22 is complete compounding	adopt Cardinal	
DRUG DISTRIBUTION	11-01 Medication Management - Preparation & Dispensing- Dispensing: General ALSO covered in Ch 12 Automated Dispensing	adopt Cardinal	this policy is a section of the main policy for sec

DRUG PROCUREMENT- INVENTORY CONTROL 01.09	Section 08 Selection/Procurement and 09 Storage and ch 15 controlled substances	adopt Cardinal	CAH Section 08 and 09 and 15 cover this topic a
DRUG PROCUREMENT- INVENTORY CONTROL 01.10	Section 08 Selection/Procurement and 09 Storage and ch 15 controlled substances	adopt Cardinal	CAH Section 08 and 09 and 15 cover this topic a
EMERGENCY CRASH CART SECURITY AND ACCOUNTBILITY	16-04 Medication Management – Emergency Services- Emergency Medications	move to critical care crash cart policy adopt general Cardinal Policy	Did not move HH pharmacy specific policy langu CAH policy. The details of Crash cart will only re policy that will reside in Crit Care. there should main crash cart policy and tag pharmacy- owne critical carre. If there is not other place for thes exist in a Critical Care policy, then these details <u>copied/pasted/customized into the CAH policy</u>
EMERGENCY ROOM DISPENSING	17-04 Continuum of Care - ED Dispensing	Merged CAH and HH policy and updated with new CA law	this is a CA specifically allowable thing, needs it c match the CABOP regs on this. double check it
ENTERAL NUTRITION PRODUCTS	13-06 Administration of Medications: Enteral/Feeding Tube	added HH Policy language to CAH policy that pharmacy does not supply	add to CAH language that pharm does not hand products at this time
EVALUATION OF THE MEDICATION MANAGEMENT SYSTEM	covered in many CAH sections 01 Leadership, 04 PI, several MM chapters	not needed	
FLOOR STOCK/RECALLED DISCONTINUED MEDICATION	18-07 Management of the Environment of Care (Safety) - Recalls: Medications 11-05 Medication Management – Preparation & Dispensing - Dispensing: Labels & ch 9 storage of meds	adopt Cardinal	increased purchasing program will need more comprehensive policies as in CAH details
FORMULARY DRUG REQUEST FORM	08-15 Medication Management – Selection/Procurement- Medication Shortages and Outages 08-03 Medication Management – Selection/Procurement - Formulary: Non-formulary Medications (Prescribing/Ordering & Procuring) 08-02 Medication Management – Selection/Procurement - Formulary: Development and Maintenance 08-01 Medication Management – Selection/Procurement - Standards (Specifications): Drugs, Chemicals, and Biologicals	adopt Cardinal	<u>copied pertinent HH policy language and forms policy</u>
HOSPITAL DRUG FORMULARY HAZARDOUS DRUGS; SPECIAL HANDLING AND DISPOSAL OF P.U.D LIST DRUGS AND IGNIGTABLE DRUGS	Section 12 Hazardous Materials	verify with assessment of risk and EVS Stericycle current plan	
HOME INTRAVENOUS INFUSION THERAPY		keep this policy	This HH policy language was made into a new C awaiting approval 17-07 Continuum of Care - H Intravenous Infusion Therapy
HOSPITAL DRUG FORMULARY 01.10	08-02 MM Selection - Formulary Development 08-03 MM Selection - Non-Formulary Medications	adopt CAH policy	Cardinal policies cover this policy

HOURS OF OPERATION	01-02 Leadership - Scope of Pharmacy Services	correct hours of ops are in the various CAH policies	added correct hrs of ops into CAH policy
HYPERGLYCEMIA	16-06 MM Emer Serv - Malignant Hyperthermia	The HH policy is a nursing/critical care policy.	May need to update HH policy to make sure it r current process if nursing wants to keep this po CAH policy addresses the medication dupply of and its location in the facility which would suffice pharmacy policy
IV IRRIGATION SOLUTIONS AUTHORIZED STORAGE IN IV ROOM	CAH policies regarding selection, procurement and storage of medications and formulary policies	CAH policies cover this HH policy	
LIGHT SENSITIVE MEDICATIONS	09-01 Medication Management – Storage: General	Adopt Cardinal- make list amendment	
LOANING AND BORROWING MEDICATION FOR EMERGENCY PURPOSES	08-04 Medication Management – Selection/Procurement - Procurement of Medications: Routine & 08-06 Supplying Medications To Other Healthcare Organizations & 16-01 Emergency Pharmacy Services (Emergency Procurement of Medications)	adopted pertinent HH policy language into appropriate CAH policy	
MEDICATION MANAGEMENT 1209			this is not a policy- its the EP from TJC
MEDICATION ORDERED STAT AND AT SPECIFIED TIME INTERVALS	10-07 Medication Management – Ordering & Transcribing - Orders: Stat 11-01 Medication Management - Preparation & Dispensing - Dispensing: General	Adopt Cardinal- fill in blanks with info from HH policy for site specific needs	
MEDICATION ORDERS (PHARMACY)	11-01 Medication Management - Preparation & Dispensing: General 11-10 Medication Management – Preparation & Dispensing - Pharmacist review of orders Section 10	Adopt Cardinal	
MEDICATION RECALL / SHORTAGES	08-02 Medication Management – Selection/Procurement - Formulary: Development and Maintenance 18-07 Management of the Environment of Care (Safety) - Recalls: Medications 18-08 Management of the Environment of Care (Safety) - Recalls and Hazard Notices: Medical Devices & 8-15 Shortages	Adopt Cardinal	Cardinal Policies match purchasing program wh implemented this spring
MEDICATION USE PROCESS	CHs 10, 11, 13, 14 lots of policies to cover med use	adopt Cardinal	
MONITORING EFFECTS OF MEDICATIONS ON PATIENTS (MM.07.01.01)	Section 14	adopt Cardinal	
ORDERING OF MEDICATIONS	Section 10	adopt Cardinal	
ORGANIZATIONAL IMPROVEMENT	Section 4	Adopt Cardinal- fill in blanks with info from HH policy for site specific needs	
PACU NARCOTICS	Section 15 Controlled Drugs	Adopt Cardinal- fill in blanks with info from HH policy for site specific needs	this is an example of a department specific poli PACU..HH policy refers to paper CSARs

PARENTERAL NUTRITION GUIDE	Multiple TPN policy templates available in Clinical section of 411	this policy is covered in several CAH policies regarding monitoring medications	
PATIENT DISCHARGE MEDICATIONS	17-02 Continuum of Care- Discharge Medications	adopt Cardinal	added HH policy language to CAH policy
PATIENT DRUG PROFILES	11-03 Medication Management – Preparation & Dispensing- Dispensing: Patient Profile	adopt Cardinal	
PATIENT ORDERS	Section 10 Ordering/Transcribing	adopt Cardinal	
PERSONNEL ACCESS TO IV FLUIDS	22-03-02 Compounding – Facility-Sterile Compounding Facility	adopt Cardinal, check if this needs to be an addendum	added HH policy language to CAH policy
PRE-EMPLOYMENT CHECKLIST	N/A	N/A since pharmacy employees are now CAH employees	
PHARMACEUTICAL CARE PLAN	01-02 Leadership - Scope of Pharmacy Services 05-01 Management of Information -Drug Information Service 07-01 Assessment of Patients -Assessment: Scope	adopt Cardinal	added HH policy language to CAH policy
PHARMACIST ASSESSMENT OF PATIENTS	07-01 Assessment of Patients - Assessment: Scope	adopt Cardinal	added HH policy language to CAH policy
PHARMACIST ORDER VERIFICATION	11-02 Medication Management - Preparation & Dispensing- Dispensing: Verification/Clarification of Orders 11-01 Medication Management - Preparation & Dispensing- Dispensing: General 11-15 MM Disp - Offsite Review of Orders	adopt cardinal	added HH policy language to CAH policy
PHARMACIST THERAPEUTIC INTERVENTION	11-02 Medication Management - Preparation & Dispensing- Dispensing: Verification/Clarification of Orders	adopt cardinal	added HH policy language to CAH policy
PRESCRIBING - ORDERING	10-01 Medication Management – Ordering & Transcribing - Orders: Clinical Privileges and Legal Authority to Order Medications	adopt Cardinal	added HH policy language to CAH policy
PRESCRIBING ORDERING GENERAL PRACTICES	10-02 Medication Management – Ordering & Transcribing - Orders: Medications 10-10 Medication Management – Ordering & Transcribing - Orders: Order Sets, Protocols, and Standing Orders 10-04 Medication Management – Ordering & Transcribing - Orders: Metric System 13-01 Medication Management – Administration - Administration of Medications: General 10-03 Medication Management – Ordering & Transcribing- Orders: Verbal and Telephone 10-05 Medication Management – Ordering & Transcribing - Orders: Automatic Stop	adopt Cardinal	added HH policy language to CAH policy
PROCUREMENT OF MEDICATIONS	Section 08 Selection/Procurement and 09 Storage	adopt Cardinal	

QUALITY CONTROL – STERILE ADMIXTURE	Section 22 is complete compounding policies	adopt cardinal- review for state specific required elements. Spent a whole day at least updating with CA specific regs	
QUESTIONABLE MEDICATION ORDERS	10-02 Medication Management – Ordering & Transcribing - Orders: Medications 10-10 Medication Management – Ordering & Transcribing - Orders: Order Sets, Protocols, and Standing Orders 10-03 Medication Management – Ordering & Transcribing- Orders: Verbal and Telephone	adopt cardinal	This is covered in section 10 policies
REFRIGERATED DRUG STORAGE IN PHARMACY	09-01 Medication Management – Storage General 09-03 Medication Management – Storage Expiration and Beyond-Use Dates 09-04 Medication Management – Storage-Temperatures: Storage 09-09 Medication Management – Storage Vaccines 09-05 Medication Management – Storage- Refrigeration, Freezing and Warming	adopt cardinal- review for state specific/Vaccine for Children required elements	added language to CAH vaccine storage policy f policy and from CA VFC program
STORAGE OF FLAMMABLE MATERIALS	18-03 Management of the Environment of Care (Safety)- Fire Safety 19-02 Management of the Environment of Care - Hazardous Chemicals	adopt Cardinal	
THERAPEUTIC DRUG MONITORING	Section 14 Monitoring the Effects of Medications	adopt Cardinal	added HH policy language to CAH policy
THROMBOCYTOPENIA		send to clinical nursing	this policy doesn't have any specific medication it is about assessing thrombocytopenia which is nursing care procedure
TRANSFER OF MEDICATION FROM STOCK CONTAINERS	11-08 MM Disp - Prepackaging	adopt Cardinal	CAH policy covers the items in this policy
UNIT DOSE DISTRIBUTION SYSTEM	11-01 Medication Management - Preparation & Dispensing- Dispensing: General 11-04 Medication Management – Preparation & Dispensing - Dispensing: Containers 11-08 Medication Management – Preparation & Dispensing - Prepackaging 17-04 Continuum of Care -Emergency Department Dispensing	adopt cardinal	CAH policy covers the items in this policy
USP <797>	Section 22 is complete compounding policies	adopt cardinal- review for state specific required elements	CAH policy covers the items in this policy

<p>VERBAL AND WRITTEN ORDERS- GENERAL</p>	<p>10-02 Medication Management – Ordering & Transcribing - Orders: Medications 10-10 Medication Management – Ordering & Transcribing - Orders: Order Sets, Protocols, and Standing Orders 10-04 Medication Management – Ordering & Transcribing - Orders: Metric System 13-01 Medication Management – Administration - Administration of Medications: General 10-03 Medication Management – Ordering & Transcribing- Orders: Verbal and Telephone 10-05 Medication Management – Ordering & Transcribing - Orders: Automatic Stop</p>	<p>adopt Cardinal</p>	<p>CAH policy covers the items in this policy</p>
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**Organization-wide Quality Assessment and Performance Improvement Program
2022**

Approved By:

**Quality Improvement
San Benito Health Care District
Medical Executive Committee
Board of Trustees**

Formulated By:

**Chief Clinical Officer
Clinical Services Director Quality & Risk**

Date: 8/5/2021

Revision Dates: 4/5/2022

**Organization-wide Quality Assessment and Improvement Program
2022**

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I. Mission and Vision

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.

Values Statement

- ❖ We recognize the value of each employee in providing high quality, personalized care to our patients.
- ❖ We encourage employee involvement in quality improvement to improve processes on an ongoing basis. We advocate participation in community activities.
- ❖ We are committed to involving physicians in partnership, both as consumers of services and as providers in ensuring safe, quality care.
- ❖ We are devoted through services, quality, and innovation to providing continued health care leadership in the communities we serve. We are dedicated to compliance with all federal, state, and local laws, rules and regulations, including confidentiality of patient information.

II. INTRODUCTION:

A. Purpose

San Benito Health Care District is dedicated to meeting the needs of our patients in a manner that is consistent with our mission, vision and belief statements. The Organizational Quality Assessment and Performance Improvement plan is designed to provide a systematic and organized program for the promotion of safe, quality patient care and services. The plan outlines improvement principles, organizational structure and approach to continually strive toward our purpose of (1) doing the right things, (2) doing the right things well, and (3) continually improving. Activities are interdisciplinary and collaborative in order to respond to the needs of the customer, patient, physician, employee and community.

Quality Assurance and Performance Improvement projects will aim for system improvements based on interdisciplinary and integrated processes that affect patient care outcomes with appropriate

accountability assumed by the respective Department Directors, Medical Staff Leadership, Administration and Board of Directors.

B. Quality Assurance and Performance Improvement plan

The purpose and intent of the Quality Assurance and Performance Improvement plan (QAPI) is to develop, implement, and maintain an effective, data-driven program that focuses on systems, processes and outcomes of care.



Our Quality Assumptions:

- (1) The quality of a service or product is determined by a careful understanding of the needs & expectations of our customers.
- (2) The improvement of the quality of a product or service is continuous.
- (3) Quality Improvement involves every staff member in the organization.

D. GOALS

The goals of the Quality Assurance and Process Improvement plan are as follows:

- 1) To identify areas that do not meet regulatory standards and to implement process improvements that address the root cause of the problem.
- 2) Identify system failures and institute improvements that advance processes and outcomes for the safety and quality of care.
- 3) To coach and empower all leaders and staff members to participate in process improvement teams.
- 4) To integrate the principles of high reliability and zero harm into our quality structure and culture.
- 5) Shift the primary focus from the performance of individuals to the performance of the organization's systems and processes, while continuing to recognize the importance of the individual competence of credentialed staff and other staff.
- 6) To utilize internal and external customer feedback to improve our services.
- 7) To organize data into useful information, including comparison to internal and external benchmarks through participation in external programs (e.g. CMS, TJC, CQMCC, QIP, CP4P, CHPPO).

- 8) To utilize external information sources representing "Best Practices" in the design of systems to improve patient outcomes and processes.
- 9) To promote a culture of continuous TJC survey readiness.
- 10) To enhance communication between the Medical Staff, Hospital Department/Services, and the Governing Body regarding the conclusions and recommendations resulting from data analysis and the actions taken to address the findings and recommendations.

E. Scope of Activities

The scope of the Organizational Quality Assessment and Performance Improvement Program includes every department and service of the hospital, clinics and SNFs. San Benito Home Health (SBHH) has a separate Quality Assurance and Performance Improvement (QAPI) program to address home health specific workflows and outcomes under the oversight of the Board of Directors and Administrative Leadership.

Quality Improvement activities will address both clinical and organizational functions. These activities are designed to assess key functions of patient care and to identify, study, and correct problems and improvement opportunities found in the processes of care delivery.

The Board of Directors, Administration, Department Leaders and leaders of the organized Medical Staff regularly communicate with each other on issues of safety and quality.

III. Organization and Responsibilities of Leaders

A. Responsibilities

Participation in Quality Improvement activities are the responsibility of everyone employed by San Benito Health Care District. Including those who are on the medical staff, or are contracted with San Benito Health Care District.

B. Oversight and approval for QAPI

The organizational Plan for Quality is reviewed and approved annually by the Director Clinical Services Quality & Risk, the Chief Medical Officer, the Patient Care Advisory Group, the Medical Executive Committee (MEC), the District Quality Practice Committee and the Board of Directors.

Board of Directors

The Board of Directors shall be responsible to ensure the provision of optimal quality care, safety, and organization-wide performance. The Board is ultimately accountable for the safety and quality of patient care provided in every department and service of the hospital, clinics and SNFs and has legal responsibility and operational authority for performance. While maintaining overall responsibility, the Board delegates operational responsibility to the Medical Staff and Administration. The Board shall facilitate Quality Improvement by:

- 1) The Board of Directors authorizes the establishment of a committee structure to implement the QAPI Program (Appendix A: QAPI Department Schedule, Appendix B: QAPI priorities by department).

- 2) Providing direction in setting performance improvement priorities based on our mission, vision, and strategic goals.
- 3) Establishing an organizational culture that supports a commitment to quality and patient safety.
- 4) Ensuring the quality program reflects the complexity of the hospital's organization and services.
- 5) Ensures the quality program is focused on metrics related to improved health outcomes and safety.
- 6) Approve the QAPI Plan.
- 7) Providing adequate resources, both material and work force, to accomplish the QAPI function.
- 8) Receives reports of QAPI data from all departments and services of the hospital including those provided through contracts.
- 9) Reviewing, accepting or rejecting periodic action plans based on findings, actions, and results of program activities regarding the effectiveness of organization-wide quality and safety activities.
- 10) Evaluating on an annual basis, the effectiveness of the quality program as a whole, and if necessary, require modification to organizational structure and systems to improve outcomes.
- 11) Require a process designed to assure that all individuals responsible for the treatment and/or care of patients, whether provided through internal mechanisms or contracted services, are competent.
- 12) Specifies the detail and frequency of data collection.
- 13) To provide a mechanism in which the Chief of the Medical Staff (the individual assigned the responsibility for the organization and conduct of the hospital's medical staff) or designee to consult no less than twice per calendar year with the Board of Directors regarding the quality of care provided to the patients of the hospital.

Medical Executive Committee (MEC) and the Organized Medical Staff

The Medical Executive Committee, accountable to the Board, has the primary authority for activities related to self-governance of the medical staff and for performance improvement of the professional services provided by licensed independent practitioners and other practitioners privileged through the medical staff process. The MEC makes recommendations directly to the governing body based on the conclusions of the MEC's review of QAPI reports from Department Directors or designee and medical staff committees.

The organized medical staff provides leadership for measuring, assessing, and improving processes that primarily depend on the activities of one or more licensed independent practitioners, and other practitioners credentialed and privileged through the medical staff process. The MEC is responsible for review of findings of the assessment process that are relevant to an individual's performance; Focused Professional Practice Evaluation (FPPE) and Ongoing Professional Practice Evaluation (OPPE). The medical staff is actively involved in the measurement, assessment, and improvement of the following:

Data on individual practitioners as well as aggregated data for:

1. Intermediate: OPPE reporting for the following specialties
 - a. Surgery:
 - i. Surgical Site Infection
 - ii. Return to Surgery
 - iii. Event reporting
 - iv. Behavioral incidents

- v. Patient Concerns
- b. Medicine:
 - i. Readmits
 - ii. Length of Stay
 - iii. Event reporting
 - iv. Behavioral incidents
 - v. Patient Concerns
- c. Obstetrics:
 - i. Early elective deliveries before 36 weeks
 - ii. Nulliparous, Term, Singleton, Vertex (NTSV) Cesarean Birth Rate
 - iii. Event reporting
 - iv. Behavioral incidents
 - v. Patient Concerns
- d. Emergency:
 - i. Stroke measures
 - ii. Event reporting
 - iii. Behavioral incidents
 - iv. Patient Concerns
- e. Clinic Physicians and Advance Practice Practitioners:
 - i. Pattern of Diagnostic testing (limited to Hazel Hawkins data)
 - ii. Event reporting
 - iii. Behavioral incidents
 - iv. Patient Concerns
- f. Radiology:
 - i. Stroke turn-around time for stroke
 - ii. Event reporting
 - iii. Behavioral incidents
 - iv. Patient Concerns

2. Identification of OPPE metrics by specialty with automated reporting with Midas + Statit.

The organized medical staff:

- Participates in developing specific indicators to systematically evaluate practitioner care. This may be accomplished by individual medical staff departments or medical staff committees which are approved by the MEC.
- Identifies and analyzes problems and opportunities, recommends actions to the MEC and monitors the effect of the actions taken to determine that problems have been resolved.
- Monitors the appropriateness of clinical practice patterns and significant departures from established patterns of clinical practice.
- Reports Medical Staff QAPI results through the QAPI Committee structure to the MEC and Board of Directors by way of written reports and summaries.

Senior Leadership

Senior leadership supports the maintenance of the QAPI process through allocation of staff and resources necessary to fulfill the requirements of the program. Leaders also:

- Analyze data and information in decision-making that supports the safety and quality of care.
- Perform evaluations of clinically contracted services in collaboration with the respective Department Director and reporting the results of the evaluation through the QAPI Committee structure to the Medical Executive Committee and the Board.
- Regularly evaluate the culture of safety and quality using valid and reliable tools.
- Ensures the participation of appropriate staff members and all departments and services in the program through participation in the QAPI Committee structure.

Quality and Regulatory Compliance

The Quality and Regulatory Compliance departments shall be responsible to support the organization's Quality Improvement principles, strategies, priorities, approach, and methodologies, which includes but is not limited to the following tasks:

- 1) Working with the Medical Staff, and all hospital departments/services, and teams to effectively measure, assess, analyze, and improve the quality and safety of care and services.
- 2) Coordinate Quality Improvement orientation, education and training.
- 3) Facilitate and support Quality Improvement teams.
- 4) Coordinate survey preparations and facilitate a culture of continual survey readiness.
- 5) Maintain the database for all QAPI activities including quality improvement teams, departmental quality measures, medical staff quality and peer review activities.
- 6) Works with the Medical Staff Leadership and hospital leadership to prepare an annual organization-wide evaluation of the Quality Program.
- 7) Facilitates communication of quality improvement activities throughout the organization and the QAPI committee structure to the MEC, Medical Staff and Board at the frequency specified by the Governing Board.
- 8) Works closely with Risk Management to monitor/analyze serious safety events and/or sentinel events and promote patient safety.
- 9) Works with the Medical Staff and hospital leadership to select meaningful quality measures that address the needs of the patients it serves.
- 10) Provides reports using statistical tools & techniques to analyze and display data.
- 11) Compares internal data over time to identify patterns, trends and variations.
- 12) Compares data with external sources.

Hospital Departments

The Department Leaders are accountable for the quality and safety of care/services and performance of their staff and departments. Department Directors are responsible for the systematic monitoring and analysis of the quality and safety of care provided in their departments. Directors will:

- Communicate opportunities for improvement for prioritization.
- Promote the development of standards of care and criteria to objectively measure the quality and safety of care/services rendered in their departments.

- Monitor, analyze and report the processes in their areas that affect patient care, safety, outcomes and satisfaction.
- Design and redesign work processes to improve safety and quality.
- Participate in the evaluation of the performance of contracted services.
- Participate in quality improvement teams.
- Report QAPI data and actions taken as appropriate.
- Communicate the status of departmental quality, patient safety, and survey readiness initiatives regularly to departmental staff members.

The Administrative Leadership Team serves to coordinate organizational quality improvement activities. Membership includes the CEO, CCO, CFO, COO and CMO and on an ad hoc basis the Director for Clinical Services Quality and other clinical and non-clinical staff as appropriate. Leadership Team meetings are scheduled weekly on Tuesdays. Activities include but are not limited to:

- 1) Assist the Governing Board and MEC with development and evaluations of the Quality Improvement Plan.
- 2) Considers the setting, scope and services provided and selects meaningful measures addressing the needs of the patients served.
- 3) Assist the Governing Board and MEC with setting priorities for ongoing measurement of important processes.
- 4) Evaluating the need to reprioritize improvement activities in response to unusual or urgent events identified through measurement and/or changes in the environment of care or community.
- 5) Receive and review reports regarding the effectiveness of organization-wide QAPI activities.
- 6) Review new service proposals ensuring appropriate quality measures are established.
- 7) Analyze and identify trends or patterns that might suggest an improvement opportunity.
- 8) Compare data with external sources when available.
- 9) Review and act upon Opportunity/Process Improvement recommendations.
- 10) Support quality improvement teams, acting upon their recommendations.
- 11) Convening multidisciplinary QI teams for specific improvement efforts, some of which may be triggered by the results of ongoing measurement and/or customer feedback.
- 12) Communicating relevant activities, as necessary, throughout the organization.
- 13) Review Customer Service Surveys, QI Teams, Risk Management, Hospital Committees, Resource Management reports and other executive level data/information impacting organization quality and safety.
- 14) Assist the Board of Directors and MEC with evaluating the effectiveness of the QAPI activities of the hospital departments / services and teams.
- 15) Integrate findings and outcomes of reviews conducted by the Medical Staff that identify systems process issues.
- 16) Determine the education and training needs of the organization related to Quality Improvement.
- 17) Assist the Governing Board and MEC with evaluating and validating corrective action has resulted in improvement.
- 18) Reporting to the Medical Staff and Board of Directors.

Quality and Patient Safety Integration

The Quality and Risk Management programs seek to reduce the frequency and severity of adverse events, thus minimizing loss and contributing to Quality Improvement through risk identification, evaluation, control and education. The Department Directors identify conditions and significant events that could or have caused harm or loss. The Directors will monitor the resolution of risk-related problems and provide appropriate education to employees, Medical Staff and the Governing Body.

The Risk Management analysis of Safety Events includes the adequacy of staffing (number of staff, skill mix and competency of staff). The Risk Director or designee provides Patient Safety and Risk Management

reports to the Medical Executive Committee and the Quality Practice and Patient Satisfaction Committee, a sub-committee of the Board.

B. Establishing Priorities for Quality Improvement

Priorities for Quality Improvement shall be established collaboratively by the Board, Senior Leadership and Medical Staff Leadership. The following criteria will be considered in establishing priorities:

- Mission, Vision and Values
- Strategic Plan, Community needs
- Needs and expectations of patients and families and other customers
- Input from Medical Staff and Employees
- High Volume diagnoses/procedures/processes
- High Risk diagnoses/procedures/processes
- High cost diagnoses/procedures/processes
- Problem prone procedures/processes
- Input from external sources (licensing, regulatory agencies)
- Clinical competency and training needs
- Resources required to make the improvement, both human and material

Prioritization

The Administrative Leadership Team will oversee the setting of priorities for quality improvement activities. Quality Improvement activities may be re-prioritized by the Administrative Leadership Team based on needs and resources. Issues may be reprioritized in response to sentinel/serious safety events identified, through quality indicators tracking and trending, unanticipated adverse occurrences affecting patients, changes in regulatory requirement, changes in patient population, in the environment of care, and/or changes in the expectations or needs of patients, staff or the community.

Reporting

The Administrative Leadership Team or a delegated Leader reports the results of monitoring activities and the improvement action plans as appropriate to the Medical Executive Committee and Board of Directors at the frequency specified by the Board.

C. QUALITY IMPROVEMENT TEAMS

Composition:

Teams are made up of individuals with expertise relating to the processes of care being evaluated.

Activating a Team

Any employee or Medical Staff member may forward a request for a team to the Administrative Leadership Team. Each referral will be evaluated. If the problem/process involves more than one department, the Administrative Leadership Team may authorize the formation of the Team, and assign a Team Leader. If the problem/process affects a single department, the Administrative Leadership Team will forward the referral to a single department for intra-departmental team development. It is imperative that departmental leadership allow staff member(s) time to participate in order for the team to be successful.

IV. Design – Quality Methodology

A. Performance Improvement Methodology

The PDSA model for performance improvement is utilized as the methodical approach to Quality Assessment and Performance Improvement initiatives. The organization will undertake efforts to improve existing processes and outcomes and then sustain the improved performance. To accomplish this, the organization has adopted a performance improvement model:

Plan - Do - Check - Act (PDCA)

Plan - a change or a test, aimed at improvement.

In this phase, analyze what you intend to improve, looking for areas that hold opportunities for change. The first step is to choose areas that offer the most return for the effort you put in-the biggest bang for your buck. To identify these areas for change consider using a Flow chart or Pareto chart.

Do - Carry out the change or test (preferably on a small scale).

Implement the change you decided on in the plan phase.

Check or Study - the results. What was learned? What went wrong?

This is a crucial step in the POCA cycle. After you have implemented the change for a short time, you must determine how well it is working. Is it really leading to improvement in the way you had hoped? You must decide on several measures with which you can monitor the level of improvement. Run Charts can be helpful with this measurement.

Act - Adopt the change, abandon it, or run through the cycle again.

After planning a change, implementing and then monitoring it, you must decide whether it is worth continuing that particular change. If it consumed too much of your time, was difficult to adhere to, or even led to no improvement, you may consider aborting the change and planning a new one. However, if the change led to a desirable improvement or outcome, you may consider expanding the trial to a different area, or slightly increasing your complexity. This sends you back into the Plan phase and can be the beginning of the ramp of improvement.

The performance improvement model is utilized - formally or informally - in improvement efforts throughout the organization.

B. Process and Outcome Measures

The monitoring and analysis process will include at least the following activities:

- 1) Suicide Risk reduction
- 2) Core Measures; IP Sepsis, Outpatient stroke, Outpatient AMI
- 3) Hospital and clinic VBP Programs (e.g. QIP, MIPS)
- 4) NHSN reporting
- 5) Emergency Department; Stroke and Sepsis bundles
- 6) CQMCC measures: Exclusive Breast Milk Feeding and NTSV C-Section rate
- 7) Data on blood and blood component's use
- 8) All reported and confirmed transfusion reactions
- 9) Resuscitation results data

- 10) Significant medication errors
- 11) Significant adverse drug reactions
- 12) Antimicrobial Stewardship data
- 13) Data on operative or other procedures that have the potential to place patients at risk of disability or death
- 14) Data is collected on all significant pathologic diagnoses discrepancies as well as significant discrepancies between preoperative and postoperative diagnoses
- 15) Data on the effectiveness of the hospital response to a change or deterioration in a patient condition (response time for responding to changes in vital signs, cardiopulmonary arrest, respiratory arrest)
- 16) Data on moderate or deep sedation or anesthesia use related adverse events
- 17) Infection Control Data (including Surveillance and goals)
- 18) Culture of Safety Survey data
- 19) The patient's perception of the safety and quality of care, treatment, and services
- 20) Risk Management/Patient Safety data and reports, including the effectiveness of fall reduction activities, including assessment interventions and education
- 21) Comparison of hospital performance through reference databases/benchmarks
- 22) Analyzing and responding to reports of surveys, assessments, licensing, regulatory, and reimbursement authorities
- 23) Staff reported patient safety incidences
- 24) Grievances and Complaints
- 25) Evaluation of processes in response to The Joint Commission Sentinel Event Alerts
- 26) Review and analysis of incidents where the radiation dose index (Computed Tomography Dose Index), dose length product, or size-specific dose estimate from diagnostic CT exams exceeded expected dose index ranges identified in imaging protocols. These incidents are then compared to external benchmarks.
- 27) Patient thermal injuries that occur during magnetic resonance imaging exams
- 28) Injuries resulting from the presence of ferromagnetic objects in the MRI scanner room
- 29) Processes related to ongoing professional practice evaluation and focused professional practice evaluation
- 30) Departmental / Service QAPI from all departments and services of the hospital

The hospital will conduct a root cause analysis, and other investigations as appropriate, in response to a sentinel event, serious safety event or significant near miss. The root cause analysis involves an internal investigation and assessment of the sentinel event to reduce variations and prevent the event from reoccurring in the future.

Design of New Processes

When it is established that there is a need or opportunity to initiate a new service, extend product lines, occupy a new facility, or significantly change existing functions or processes, the design will be based upon the organization's mission, vision and plans. The needs of the patients, staff, and all who use this service will be considered and up-to-date sources of information shall be used to design the process or service.

Quality Measures Focus Selection

Measures for periodic assessment and improvement arise from Employees, Leadership, Medical Staff and other sources. Important functions and processes of care are selected on the basis of which most significantly impact patient care. These may be included, but not limited to the following:

- Problem Prone/High Risk/Volume Processes
- Utilization Review and Risk management findings
- Results of ongoing activities designed to control and prevent infections
- Patient Safety and the reduction of medical errors
- Importance to patient/customer

Data Collection

The staff collects, organizes and analyzes data necessary to determine root causes, track performance, benchmarking, etc. Data is organized in such a manner as to facilitate comparison and trends. The data collection is conducted in a timely and efficient manner. Statistical techniques and data displaying "tools" will be utilized. Tools may include but are not limited to: charts and graphs, Run Charts, Histograms, Pareto Charts, Flow Charts, Cause and Effect diagrams (Fishbone Diagrams), Control Charts, etc.

Frequency of Data Collection

The frequency of data collection and measurement is related to:

- 1) The frequency of the event (affect a large percentage of patients)
- 2) Problem prone processes
- 3) The significance of the event or process monitored:
 - a) What the leaders view as most important
 - b) The extent to which the important aspect of care, processes, and outcomes monitored has been demonstrated to meet expectation or be problem free
 - c) Customer satisfaction responses to measure the extent that the organization meets the needs and expectation of patients/families
 - d) Priority issues and adverse/significant events may require more detail and frequency of measurement activities

The Governing Body specifies the frequency and detail of data collection.

Sample Size

When sampling is appropriate, the representative sample number is determined by the situation or process under review, i.e. intensive review vs. random review. The below illustration is also recommended as a guide for sample size:

- For a population size of fewer than 30 cases, sample 100% of available cases.
- For a population size of 30 to 100 cases, sample 30 cases.
- For a population size of 101 to 500 cases, sample 50 cases.
- For a population size greater than 500 cases, sample 70 cases.

A case refers to a single instance in which a situation related to a survey finding occurs.

Population size totals may be interpreted as "annually" unless otherwise specified.

C. IMPROVE

Appropriate action will be recommended and implemented to eliminate or reduce variations identified or to improve quality of care. Multidisciplinary QI Teams will be initiated at the direction of the Quality Improvement Council to address identified opportunities.

Re-design/Design of Improvement Initiatives (Re-Assessment Process)

The effectiveness of any action taken is assessed and documented. Periodic monitoring of the results of correction action, including re-design of processes, will be conducted to make sure that any problems identified have been alleviated or eliminated and the improvement sustained. Any design/re-design initiative(s) will be evaluated for their effectiveness. If the specific area does not show improvement, new actions/design will be taken and, once again, the effectiveness will be assessed.

Communication and Reporting

To coordinate the quality improvement activities throughout the organization, the Director Clinical Services Quality will receive and have access to all QI information. Department leaders will communicate their quality activities and performance to their employees, to the Senior Leader to whom they report, and/or to Quality using the approved reporting forms and format. Measurement and assessment activities are reported to the Performance Improvement Patient Safety Committee (PIPS), the Quality Practice Committee, Medical Executive Committee, and to the Governing Board at the frequency specified by the Board.

Feedback from organizational QAPI activities is provided at Leadership group meetings, in departmental staff meetings, hospital newsletters and between the Medical Executive Committee and Board as appropriate.

VI. Staff Development/Education

Staff will be introduced to Quality Assessment and Performance Improvement concepts and objectives during new Employee orientation, department staff meetings, hospital publications and in-services as needed. Employees are encouraged to participate in the team process which provides additional "just in time" training.

VII. Annual Program Evaluation

The effectiveness of the Quality Assessment and Performance Improvement Program is evaluated annually and revised as necessary by department leaders and reported to the Quality Practice Committee, the MEC, and Board of Trustees.

VIII. Confidentiality

Confidentiality shall be maintained, based on full respect of the patient's right to privacy and in keeping with Hospital Policy and State and Federal Regulations governing the confidentiality of quality improvement work products.

IX. Retention of Records


All minutes of meetings are maintained as defined in the Record Retention policy either in their original form or electronically. Cumulative quality improvement activity reports are maintained for three years either in their original form, or electronically.

APPROVAL:



Director Clinical Services Quality & Risk

5/10/2022
Date



CMO

5/10/22
Date



CCO

5-12-22
Date



Patient Care Advisory Group

5/10/22
Date

Medical Executive Committee

Date

Board of Directors

Date

tel.

Appendix A: QAPI Department Priorities and Schedule

Department	Project
Maternity Care / OB	Improvement of Nursing Care and Response through Obstetric Emergency Simulation and Debrief
ED / Level IV Trauma / Stroke	Fall Reduction Project
Nursing Services / ICU / MS	Fall Reduction Project
Surgical Services	Improved Efficiencies in Operating Room Turnover
Lab	Blood and Blood Product Administration Policy Compliance
Medical Staff	Medical Staff Event Tracking
Nutrition Services	The role of the registered dietitian in the MDR team
EVS	Fall Reduction Project
Respiratory Services	Bedside Medication Verification
Human Resources	TBD
Employee Health Services	Increasing Influenza Rates
Infection Prevention	C.Diff Reduction Project
Radiology	Reject Analysis Program
Pharmacy	After Hours Medication Error Reduction
Quality / Risk Management	Fall Reduction Program
	Improving Access to Policies in Lucidoc
Registration	Patient Experience Improvement Project

Performance Improvement / Patient Safety

- All Departments Participate / Identify or continue a Performance Improvement Project
- Meetings are on the 4th Thursday of the month; Directors provide report information one week in advance

	2022 Reporting Schedule.											
	January	March 2nd	March 26th	April	May	June	July	August	September	October	November	December
Maternity Care / OB	Red			Red			Red			Red		
ED / Level IV Trauma / Stroke		Green			Green			Green			Green	
Nursing Services / ICU / MS			Yellow			Yellow			Yellow			Yellow
Surgical Services			Yellow			Yellow			Yellow			Yellow
Lab		Green			Green			Green			Green	
Medical Staff	Red			Red			Red			Red		
Nutrition Services			Yellow		Green			Green			Green	
EVS	Red			Red			Red			Red		
Cardiopulmonary Services			Yellow		Green			Green			Green	
Human Resources			Yellow			Yellow			Yellow			Yellow
Employee Health Services	Red			Red			Red			Red		
Infection Prevention		Green			Green							
Radiology	Red			Red			Red			Red		
Pharmacy						Yellow			Yellow			Yellow
Quality / Risk Management	Red			Red			Red			Red		
Registration			Yellow			Yellow			Yellow			Yellow
Home Health					Green			Green			Green	

Appendix B: National Patient Safety Goals

PATIENT SAFETY GOALS

TJC National Patient Safety Goals 2022

GOAL 1	GOAL 2	GOAL 3	GOAL 4	GOAL 5	GOAL 6
					
Use at least two patient identifiers when providing care	Improve the Effectiveness of communication among caregivers	Improve the safety of using medications	Reduce patient harm associated with clinical alarm systems	Reduce the Risk of Health Care-Associated Infections	The critical access hospital identifies safety risks inherent in its patient population
NPSG.01.01.01	NPSG.02.03.01	NPSG.03.04.01	NPSG.06.01.01	NPSG.07.01.01	NPSG.13.01.01

63.



San Benito Health Care District
Board of Directors Meeting
26 May 2022
Chief Clinical Officer Report

- Emergency Department: 1,812 Visits (23 Trauma, 15 Stroke Visits); 0 Left Without Being Seen
- Med / Surg: 411 patient days; Average Daily Census 13.7 (NO COVID)
- ICU: 96 patient days (ADC 3.2)
- OB: 14 deliveries; 98 Outpatient / Triage Visits
- Bed Optimization Team is looking at the ability to relicense previously licensed beds in Med – Surg & ICU; rooms are being refreshed. 11 completed; 5 remain.

64.



Hazel Hawkins
MEMORIAL HOSPITAL

To: San Benito Health Care District Board of Directors
 From: Amy Breen-Lema, Director, Provider Services & Clinic Operations
 Date: May 16, 2022
 Re: All Clinics – April 2022

2022 Rural Health and Specialty Clinics' visit volumes

Total visits for April 2022 in all outpatient clinics = 6,762

	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022
Sunset/Annex	1234	994	1102	1055		
San Juan Bautista	394	283	397	381		
1st Street	915	752	1040	661		
4th Street	1458	1318	1544	1336		
Barragan	698	656	768	705		
Totals	4699	4003	4851	4138		
Specialty Clinics						
Orthopedic Specialty	374	334	517	454		
Multi-Specialty	730	377	807	726		
Primary Care Associates						
	1711	1418	1658	1444		
Totals	2815	2429	2982	2624		

- The community demand for COVID vaccine has dwindled down to just a few per week. Vaccine appointments continue to be offered through the clinics, as needed.
- Rural Health clinics will be welcoming full-time Primary Care Physician Assistants Taylor Pisano and Brandon Guinvarch in mid-August. Both providers completed their clinical rotations in the clinics as part of their California State University Monterey Program (CSUMB) program affiliation with the hospital.
- Over the next few months, all Rural Health clinics will be initiating the *Bright Futures Program*, which is a national health promotion and prevention initiative led by the American Academy of Pediatrics and supported by Department of Health and Human Services. This will improve our tracking of preventive care screenings and well-child visits.

65.



Hazel Hawkins MEMORIAL HOSPITAL

WILLIAM & INEZ MABIE SKILLED NURSING FACILITY

MAY 2022

BOARD REPORT

May 18, 2022

To:
San Benito Health Care District
Board of Directors

From:
Sherry Hua, RN, MSN, DON for William & Inez Mabie SNF

I. Management Activities:

- 1. High census has been around 90 daily average.**
- 2. Continue to prepare for Annual Survey.**

II. In-services for the month of May:

- | | |
|-------------|--|
| 5/3 | Resident's Rights and Civil Rights
Review Infection Control Plan and COVID-19 Mitigation Plan
Mandatory All Staff |
| 5/17 | Dementia: Fall Prevention and Root Cause Analysis
Review Infection Control and COVID-19 Mitigation Plan
Mandatory All Staff |
| 5/31 | Choking Prevention and Intervention: Review Infection Control Plan
and COVID-19 Mitigation Plan
Mandatory All Staff |

III. Census Statistics for April:

Statistics:	2022	2021
Total Number of Admissions:	7	8
Number of Transfers from HHH:	7	6
Number of Transfers to HHH:	2	0
Number of Deaths:	1	0
Number of Discharges:	6	6
Total Discharges:	7	6
Total Census Days:	1367	1289

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

Total Discharged by Payer Status Category:	
Medicare:	4
Medicare MC:	1
Medical:	2
Medical MC:	0
Private (self pay):	0
Insurance:	0
Total:	7

Total Patient Days by Payer Status Category:	
Medicare:	150
Medicare MC:	7
Medi-Cal:	1150
Medi-Cal MC:	0
Private:	60
Insurance:	0
Bed Hold/LOA	5
TOTAL:	1372
Average Daily Census	45.73

IV. Palliative Care Referral Statistics for April:

Referral Sources:	
New Referrals	18
Acute Referrals	11
Southside Referrals	6
Northside Referrals	1

Patients Served	35
Patients Discharged	5
Patients Deceased	7
Grief Support	24
Total Patient Visits	122



Hazel Hawkins
MEMORIAL HOSPITAL

Mabie Northside SNF

May 2022

BOARD REPORT

May 2022

To:
San Benito Health Care District
Board of Directors

From:
Sherry Hua, RN, MSN, DON for Mabie Northside SNFs

I. Management Activities:

1. High census has been around 90 daily average.
2. Continue to prepare for Annual Survey.

II. In-services for the month of May:

1. 5/12 **Accident Prevention, Safety Measures, Covid-19 Mitigation Plan
Infection Control and Prevention**
Mandatory – All Staff
2. 5/26 **Dementia: Fall Prevention and Root Cause Analysis, Covid -19
Mitigation Plan, Infection Control and Prevention**
Mandatory – All Staff

APRIL STATISTICS:	2022
Total Number of Admissions:	12
Number of Transfers from HHH:	11
Number of Transfers to HHH:	2
Number of Deaths:	1

68.

Number of Discharges:	12
Total Census Days:	1,267

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.

Total Discharged by Payer Status Category:	
Medicare:	10
Medicare MC:	2
Medical:	0
Medical MC:	0
Private (self pay):	0
Insurance:	10
Total:	12

Total Patient Days by Payer Status Category:	
Medicare:	170
Medicare MC:	14
Medi-Cal:	1053
Medi-Cal MC:	0
Private:	30
Insurance:	0
Bed Hold/LOA	0
TOTAL:	1,267
Average Daily Census	42.23

69.



Hazel Hawkins
MEMORIAL HOSPITAL

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



Updates:

1. **Service/Outreach**
 - Coordinated with Home Health for select lab assistants to shadow with the home health nurses in preparation of the mobile phlebotomy service offering.

2. **Covid Testing**
 - Period: April 2022
 - Total Samples tested: 2871
 - Positivity Rate: 1.11%

3. **New Tests/Analyzers**
 - Meeting with Pharmacy and Infection Control regarding implementation of Biofire BCID which will enable the physicians to have results of what bacteria is the cause for the sepsis of the patient 30hrs earlier than our current method. This will help with antibiotic stewardship.

4. **Quality Assurance/Performance Improvement Activities**
 - Sunquest project was approved.
 - Competency assessment on all testing personnel and lab assistants currently on-going. Expected completion is end of the May.

5. **Laboratory Statistics**
 - See attached report

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									

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									

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									

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									

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									

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									

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									



LABORATORY DEPARTMENT

REQUISITION STATISTICS

Bernadette Enderez
Director of Laboratory Services

Michael McGinnis, M.D.
Medical Director

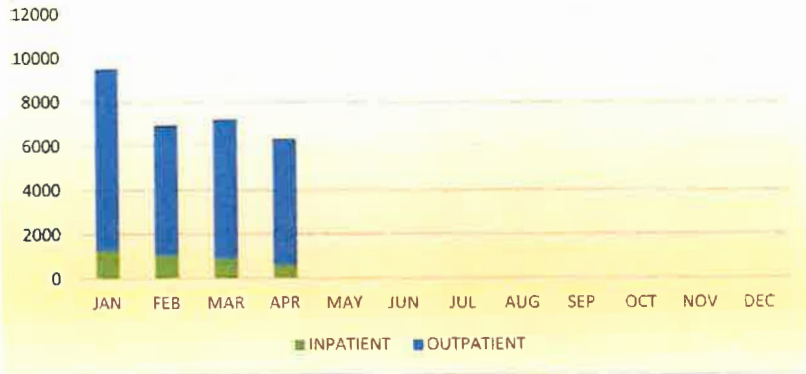
7/

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									4036	INPATIENT
OUTPATIENT	8222	5866	6299	5673									26060	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

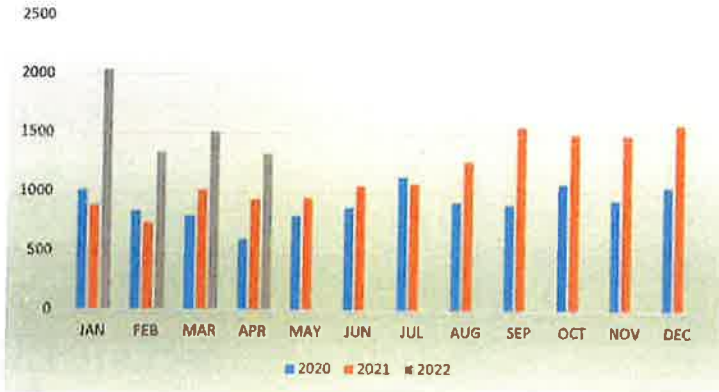


YR 2021 INPATIENT VS OUTPATIENT TOTALS

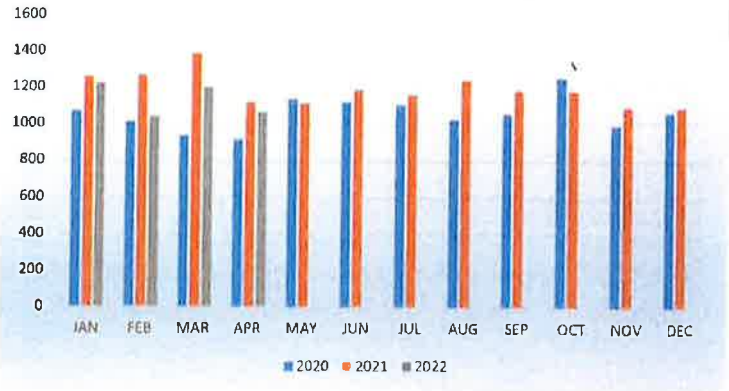


22

MAIN LAB OUTPATIENT STATISTICS



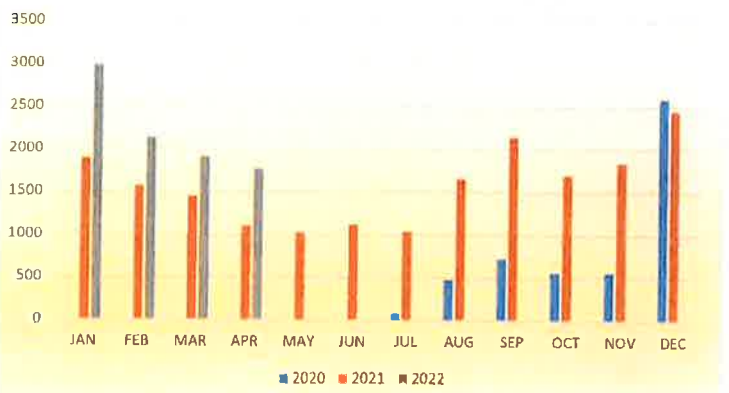
MC CRAY OUTPATIENT STATISTICS



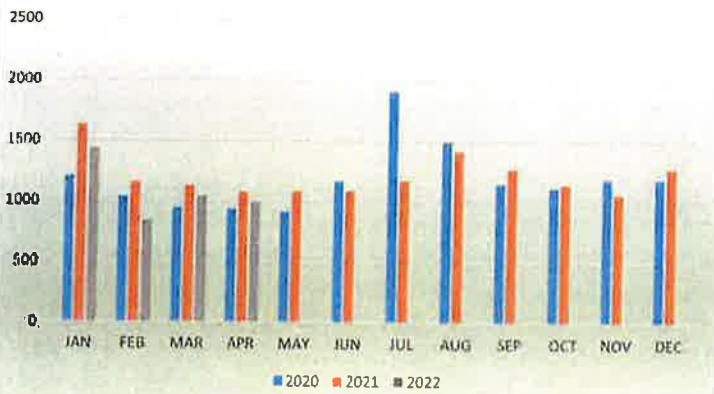
SUNNYSLOPE LAB STATISTICS



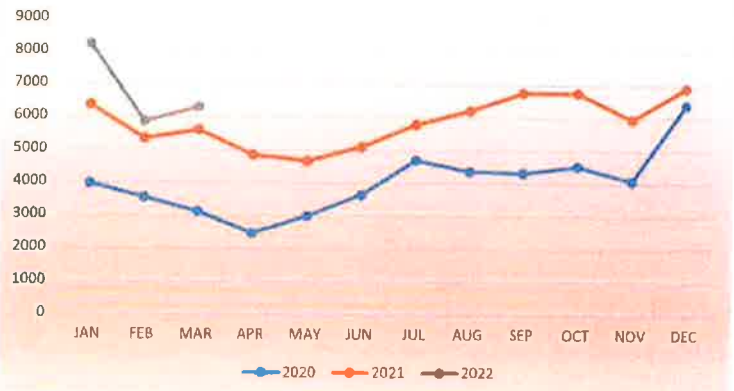
HHH EMPLOYEE COVID19 SURVEILLANCE STATISTICS



ER AND ASC LAB STATISTICS



OUTPATIENT LAB STATISTICS



LABORATORY DEPARTMENT

OUTPATIENT STATISTICS

Bernadette Enderez
Director of Laboratory Services

Michael McGinnis, M.D.
Medical Director

PATIENT ENGAGEMENT | SATISFACTION

- Rounding & Facilitating
Care • Communication • Dietary • Medication • Visitation • Wait Time Concerns • Transition of Care Concerns
- Press Ganey Comments and Results Distribution to Directors
- Press Ganey Contract Renewal
- Collaboration with Quality to resolve grievances
- Discuss formation of AIDET Taskforce to advance patient satisfaction

COMMUNITY ENGAGEMENT

Employees:

- Hawkins Happenings
- Master Plan Town Hall Forums
- Employee of the Month
- Monthly Birthday Celebration
- Department Recognition
- Nurses Day Breakfast
- Hospital/ Skilled Nursing Week Recognition and Activities

Physicians / Providers

- Support recruitment efforts
- Endocrinology and General Surgery Introduction
- Admit Discharge and Transfer Order Communication
- Engage Marni Friedman, MD

Public:

- Health Center Phone Tree
- Grief Yoga
- EMS Infrequently Used Skills Day
- Adalante High School Career Exploration: Diagnostic Services
- Stanford Blood Drive
- SBHS Baler Wellness Staff Education on Emergency Services & Behavioral Health Care
- SBHS Mental Health Awareness tabling event

Volunteers

- Review Orientation & Training for Hospital Compliance
- Volunteer Recruitment



MARKETING

- Social Media Postings:
- Promotional Item Development
Branded Canopies,
Emory Boards,
Draw String Bags,
Neck Koosies
- KSBW - Birthing Center Testimonial Video
- Annual Report Production
- Media Alert—Nurses Day Recognition Event
- Drafting FY '23 Marketing Plan
- New billboards mirroring Birthing Center Testimonial Video

Insights

Last 28 days: Apr 19 - May 16 ▾

People reached



26,583
▲ 5%



BUSINESS DEVELOPMENT

- Networking dinner with Peter Coelho, MD
- Networking lunch with Pinnacle Health, Orthopedic and General Surgery
- Endocrinology and General Surgery Introduction
- Master Plan Communication Strategy Review



5.19.22

To: SBHCD Hospital Board

Auxiliary Membership:

- 86 active
- 120 associates



During National Volunteer Week (April 17-23), HHMH hosted a Volunteer Appreciation Reception in the Horizon Room (2nd floor of the Women's Center). It was a nice event and the volunteers appreciated those that came by to say hello.

They also appreciated hearing from Mr. Hannah.

Yesterday the Auxiliary held its annual Spring Luncheon. This annual tradition hasn't been held since 2019. We had over 80 members in attendance. Anthony Mojica gave the invocation. Steve Hannah, Leanne Oliveira (*Aging & Disabilities Resource Connection*), Brit Bassoni representing *Central Coast Center for Independent Living*, (CCCIL), Sherrie Bakke and Frankie Gallagher all spoke at the event.

Best Regards,

Alice Silva Oliveira
HHMH Coordinator of Volunteer Services
636-2681

76.



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

The Hazel Hawkins Hospital Foundation Board of Trustees met on Thursday, May 12 for their monthly meeting. The meeting was available by hybrid too. Anita Frederick, RN, HHMH Administrator of San Benito Home Health Care gave a presentation on her request for Blood Pressure Cuffs for the Home Health Department. Mishel Thomas, LVN III, Clinic Operations Manager also joined the meeting to request an extended warranty for a piece of equipment at the Barragan Family Diabetes Center.

Financial Report	April
1. Income	\$ 5,444.86
2. Expenses	\$ 2,593.37
3. New Donors	0
4. Total Donations	128

Approved Allocations

1. \$800 for 10 Multi-Sized Blood Pressure Cuffs for Home Health
2. \$8,025 for Landscaping around flagpole area in front of Hospital from funds dedicated to Gerald McCullough's Memory designated for this purpose
3. \$6300 for 13 Chairs for Physical Therapy Patient Rooms and Lobby
4. \$7,000 for an extended warranty for Diabetes Center Equipment
5. \$2,912 Community Foundation Endowment Funds Available to Scholarship Program
6. \$12,500 for Scholarship Funding

Directors Report

- Mary Ann Barragan has now reached the top level on our Donor Wall Display in the front lobby. I wanted her to see this and she was not feeling up to doing a reception so I took pictures of the wall, had them blown up to poster size and brought it to her. She was so cute and happy and thankful. Thank you to Ann Marie for helping me organize the visit.
- Our All for 1 Employee Giving Campaign ran the month of April and we had 72 employees pledging \$57,872. We are having a pizza lunch for all participants on May 31st.
- I have met with Mary McCullough and Jeri Hernandez regarding a refresh in the front garden area by the flagpole and the project is almost complete. Mary is directing all the funds that were donated in memory of her late husband Gerald to this project and has worked with landscape designer, Rosemary Bridwell on the project.
- I have started working on a new policy for our Hospital to flag our VIP donors. Many other Hospitals have a system in place for this.
- We have scheduled a tour and orientation for our new Board members on May 26th at 1pm.
- Our Dinner Dance Committee will be meeting on May 17th at 11am. We will be selecting our Donors of the Year.
- The Northside Nurses station will be completed soon. This is the final component of our Mabie Makeover Campaign at Northside.
- We put in order in for 8 bricks for the courtyard and they were installed on Monday.

Page 2 - Foundation Report

- We received an extension for our grant report for the Monterey Peninsula Foundation Grant until June as the team no collecting data for our report. Mike Egbert, the Department Director is thrilled with the new EKG equipment and streamlining of paperwork.
- Our FLEX grant report for the Diabetes Education Program report has been extended to July in order to collect more data and have more in person classes in the kitchen.
- We submitted our new application for the Hospice Giving Foundation Grant that funds the Palliative Care Program. We have a Zoom call on May 18th and the grant awardees should be announced the first of June.
- There is a new grief yoga class on Tuesday nights from 5:30 to 6:30pm in the Horizon Room. It is free to the public. Sunny Underwood the Palliative Care Coordinator instructs the class. We have received positive feedback from the attendees. It is a collaboration between, Heal Together, HHMH and HHH Foundation.
- I went and visited Lanetta Bishop. She told me to tell all of you hello. Please keep her in your thoughts.

Scholarship Committee

The 2022 Scholarship Committee has received 24 applications. We selected a total of 12 applicants. The total amount of funding requested was \$12,500. The funding sources were \$8500 from dedicated Scholarship Foundation Funds. Those recipients are: Makena Bedolla, Freida Figueroa, Amber Stroud, Cobin Bies, Ayaka Lopez, Trystan Mumm, Griselda Reynoso, Nicole Avila, Megan Ford, Jore Inojoza, Brandon So and Rosie Valencia.

The Foundation also worked with four additional funding sources to award 4 additional scholarships.

1. Dorothy & Charlie Root Family Scholarship: \$1000 - Awarded to someone pursuing a career in sports medicine. Recipient: Nicholas Gutierrez.
2. Ismael Hernandez Memorial Scholarship: \$1000 - Awarded to a candidate that is an employee of the Hazel Hawkins Hospital. Recipient: Lacey Bourdet.
3. Fahy/Fisher Scholarship: \$1000 - Awarded to a candidate that is an employee of the Hazel Hawkins Hospital. Recipient: Kathleen Jones.
4. Physicians Scholarship: \$1000 - Awarded to a candidate who is pursuing a career as a physician. Recipient: Parleen Brar.

Dinner Dance Committee

The Dinner Dance Committee met and went over many different options for an in-person event this year. However, with San Juan Oaks not open, there is very limited venues that could fit the amount of people we have or the places that can, the rental fees for all the items needed were almost half our profit. We have decided to do another drive through dinner this year with options that you can get out and socialize, have appetizers, a wine and beer tasting. Our Committee is committed to making this event a success again this year and will meet next week to select our Donors of the Year.

SURGERY SITE INFECTIONS

MELISSA SCHILLING, CIC
INFECTION PREVENTION

COST OF SSI

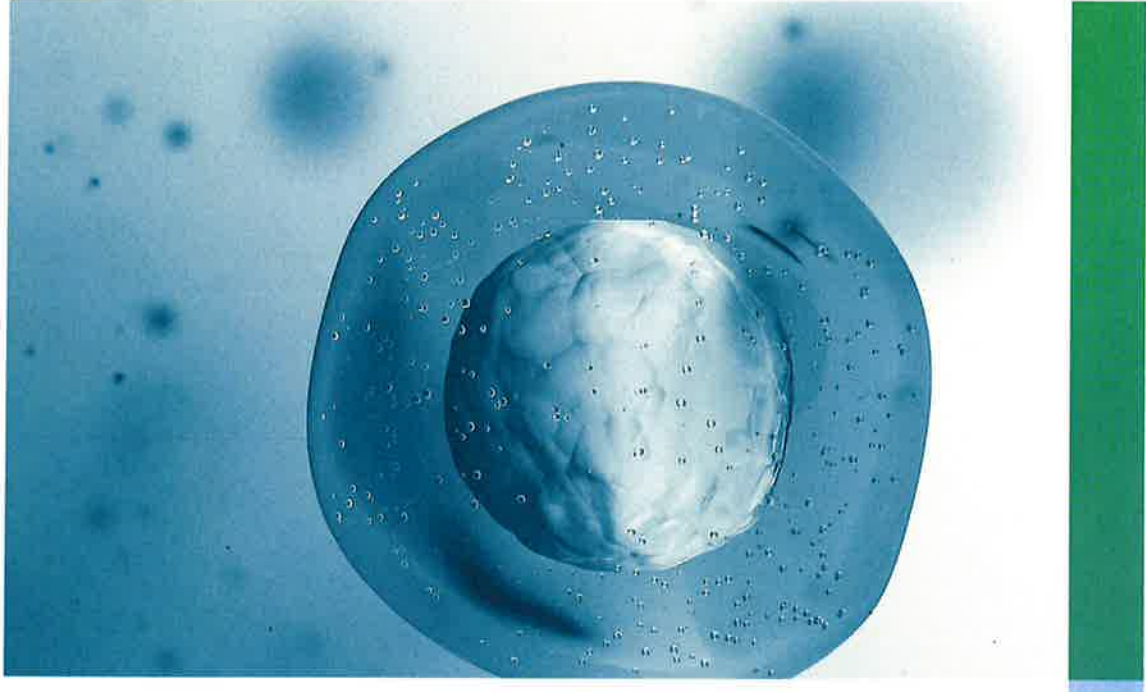
Morbidity

Economic

Death

WHAT IS AN SSI

- An infection that occurs at the surgical site as a result of a complex interaction between the microbial contamination of the surgical site, the local environment at the site of contamination, and the efficiency of the host response



PROBABILITY OF INFECTION

inoculum of bacteria

virulence of bacteria

**adjuvant effects in the
microenvironment of the
wound that enhance microbial
virulence**

efficiency of host defenses

RISK - ASA SCORE

ASA Score	Description of Classification	Patient Example
1	Normal healthy patient	A 21-year-old, well-conditioned male athlete undergoing elective groin hernia repair
2	Patient with mild systemic disease	A 46-year-old woman with mild but controlled hypertension undergoing a laparoscopic cholecystectomy
3	Patient with severe systemic disease	A 53-year-old man with insulin-dependent diabetes and coronary artery disease undergoing elective aortofemoral bypass
4	Patient with severe systemic disease that is a constant threat to life	A 62-year-old woman on chronic renal hemodialysis undergoing emergency laparotomy for perforative diverticulitis
5	Moribund patient who is not expected to survive without the operation	A 58-year-old man with morbid obesity, type 2 diabetes, and shock undergoing extensive debridement for streptococcal necrotizing fasciitis
6	Patient declared brain-dead whose organs are being removed for donor purposes	

SURGERY CLASS

Class I, or clean wounds - no inflammation was encountered. No contaminated spaces (gastrointestinal, respiratory, genitourinary, and genital) were encountered, and the wound was primarily closed and drained if necessary with closed drains.

Class II, or clean-contaminated wounds - respiratory, urinary, gastrointestinal, or genital tracts were entered under controlled conditions and without unusual contamination.

Class III, or contaminated wounds - gross spillage from the gastrointestinal tract.

Class IV, or dirty and infected wounds - retained devitalized tissue, foreign bodies, fecal contamination, or delayed treatment or from a dirty source.

Infection Present at the Time of Surgery (PATOS).

SUPERFICIAL SSI

1

Infection occurs within 30 days after any NHSN operative procedure, infection involves only skin or subcutaneous tissue of the incision, and the patient has at least one of the following:

2

Purulent drainage, with or without laboratory confirmation, from the superficial incision.

3

Organisms isolated from an aseptically obtained culture of fluid or tissue from the superficial incision.

4

Superficial incision is deliberately opened by a surgeon and is culture-positive or not cultured, and patient has at least one of the following signs or symptoms: pain or tenderness; localized swelling; redness; or heat.

5

Diagnosis of superficial incisional SSI by the surgeon or attending physician, or other designee (nurse practitioner or physician's assistant).



30-day Surveillance

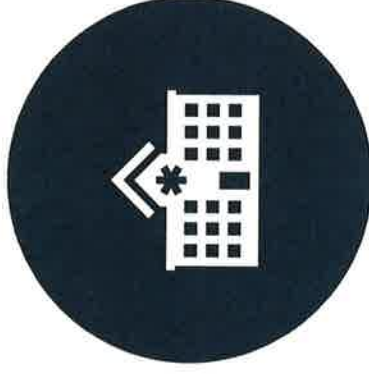
90-day Surveillance

Abdominal aortic aneurysm repair	Breast surgery
Limb amputation	Cardiac and coronary artery surgery
Appendectomy	Craniotomy
Shunt for dialysis	Spinal fusion or refusion
Gastric/bile duct/liver/pancreatic surgery	Open reduction of fractures
Carotid endarterectomy	Hemiorrhaphy
Colorectal and small bowel surgery	Hip or knee prosthesis
Cesarean section, abdominal or vaginal hysterectomy, ovarian surgery	Pacemaker procedure
Heart/kidney/liver transplantation	Peripheral vascular surgery
Laminectomy	Ventricular shunt
Thyroid/parathyroid/neck surgery	
Kidney or prostatic surgery	
Spleen surgery	
Non-cardiac thoracic surgery	
Exploratory laparotomy	

CALCULATING SIR



STANDARDIZED INFECTION
RATIO (SIR)



OBSERVED SSI RATE WITHIN
A HOSPITAL / THE EXPECTED
RATE

**PREVENTING
SSI**

**Reduce bacteria near
surgical site**

Prophylactic antibiotics

Support patient

HAND HYGIENE

Remove rings, watches, and bracelets before beginning the surgical hand scrub.

Remove debris from underneath fingernails using a nail cleaner under running water.

When performing surgical hand antisepsis using an antimicrobial soap, scrub hands and forearms for the length of time recommended by the manufacturer, usually 2 to 6 minutes.

Surgical hand antisepsis using either an antimicrobial soap or an alcohol-based hand rub with persistent activity is recommended before donning sterile gloves when performing surgical procedures.



Hazel Hawkins MEMORIAL HOSPITAL

SAN BENITO HEALTH CARE DISTRICT

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.

CEO's Administrative Report – May 26th, 2022

To: San Benito Health Care District Board of Directors

COVID-19 Pandemic Surge

I will provide a verbal update on the infection rate, hospitalizations, and the vaccine initiative at the Board meeting (COVID – 19 online data).

- CDC data and San Benito County data

Administrative General Updates

Administration Dashboard:

Please find the newly developed Administrative Dashboard included on the final page of the CEO report.

I and other members of our team will discuss the various metrics, along with MTD and YTD results, at the Board meeting.

Strategic Plan Update:

Please find the latest updates to the HHMH Strategic Plan behind the administrative dashboard in your packets. I and other leaders will be providing talking points regarding the update. Per the previous discussion with the Board Chair and the entire Board, we are planning a facilitated strategic planning retreat for September at an offsite location.

Organizational Leadership:

Michael Brink was selected as the Business Office Director for HHMH to replace the current Director who is retiring. His first day at HHMH was May 23rd.



Hazel Hawkins

MEMORIAL HOSPITAL

This is an important organizational “foundation” leadership position for ensuring that HHMH continues to have a robust revenue cycle focus and makes educating the public on the overall healthcare billing and collecting processes a priority

SBHCD Master Plan:

Thomas Yates, the master planner for HHMH, coordinated a Zoom meeting for the administrative team with a national strategy expert who can provide us with ongoing support as the Board and administrative team formulate strategies for funding the desired outcome of the master planning work for a secondary campus. As detailed previously, the secondary campus will be the location where a new modern inpatient hospital can be built for both ensuring HHMH meets the State seismic mandates within SB 1953 for inpatient hospital structures by 2030 and the healthcare needs of the growing population served by HHMH.

Legislative Update:

Assemblymember Eduardo Garcia of District 56 has authored a one-time budget request on behalf of all District Hospitals across California for funding to help meet the 2030 seismic requirements. I have forwarded the letter that was shared with me to both Assemblymember Rivas and Senator Caballero and asked if they would be willing to sign showing their support for the budget ask.

Legal Counsel District activities:

Heidi Quinn has been utilized for several legal projects this past month including the application process for appointing a new District Board member at the May 26th Board meeting.

Medical Staff updates

Provider Agreements/Updates:

The offer we extended last month to a third orthopedic surgeon has been accepted. The PSA is on this month’s agenda for Board review and consideration of approval. The start date for the new surgeon will be in late June.

As discussed at Finance Committee, we have made the administrative decision to transition to Central California Anesthesiology Solutions (CCAS) for anesthesia coverage at HHMH. I am recommending the PSA with CCAS for the provision of anesthesia coverage at HHMH effective July 1, 2022. I previously signed an administrative letter of intent (LOI) with CCAS once it was determined that the “last and final” proposal from the current provider of anesthesia was not acceptable due to the very large increase in subsidy required. As the LOI indicated, the decision to select CCAS and enter into a PSA with them was dependent upon Board approval in May or June which I am asking for at this month’s Board meeting.



Hazel Hawkins

MEMORIAL HOSPITAL

Other provider-related agreements were discussed at Finance Committee and are also on the agenda for Board review and consideration of approval.

Community and Regional Activities

Community/Public Health:

The weekly Zoom update with Public Health related to COVID – 19 management has now reverted to a monthly schedule.

I toured the new Epicenter in downtown Hollister on May 20th and will update the Board verbally regarding the visit. It would make a nice local location for the upcoming strategic planning retreat.

CEO HHMH/Community Activities:

Hospital Rounding – Daily
Public health – Monthly
HHMH Auxiliary Annual Meeting – May 18th
Epicenter Tour – May 20th

CEO Regional/National Activities:

Monterey Hospital Council Section Meeting – May 12th
Hospital Council Regional Vice President and
CHA Group Vice President of Policy Site Visit – May 13th
ACHD CEO Roundtable – May 19th
Legislative Communication with offices of Senator Caballero and Assemblymember Rivas – May 20th and 23rd

Sincerely,

Steven Hannah

Steven M. Hannah, MHA
Chief Executive Officer



Hazel Hawkins

MEMORIAL HOSPITAL

Acronyms

ACHD	Association of California Hospital Districts
ACO	Accountable Care Organization
APP	Advanced Practice Practitioners (FNP and PA)
AFE	*Acronym Free Environment
ASC	Ambulatory Surgery Center
BBK	Best, Best, and Krieger Law Firm
CAH	Critical Access Hospital
CCAHN	California Critical Access Hospital Network (CHA)
CDC	Center for Disease Control
CDPH	California Department of Public Health
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CHA	California Hospital Association
CHNA	Community Health Needs Assessment (Not applicable to Districts)
CIN	Clinically Integrated Network
CMI	Case Mix Index (CMS acuity measure)
CMMI	Centers for Medicare and Medicaid Innovation CMO Chief Medical Officer
CMS	Centers for Medicare and Medicaid (HCFA from the old days)
CNE	Chief Nurse Executive
COO VP AS	Chief Operating Officer, Vice President of Ambulatory Services
COS	Chief of Staff (Medical)
COVID – 19	Coronavirus SARS-CoV-2
CY	Calendar Year
DHLF	District Hospital Leadership Forum
DPM	Doctor of Podiatry Medicine
ED	Emergency Department
FMV	Fair Market Value
FNP	Family Nurse Practitioner
FQHC	Federally Qualified Health Center
FY	Fiscal Year
HCA	Hospital Corporation of America
HCP	Healthcare personnel
HHMH	Hazel Hawkins Memorial Hospital
HIPPA	Health Information Privacy and Portability Act
HIT	Health Information Technology
HOPD	Hospital Outpatient Department
HPF	Hospital Provider Fee Program
HR	Human Resources
ICU	Intensive Care Unit
IPA	Independent Physician Association
LLP	Limited Liability Partnership
Locum Tenens	Temporary physician -- “in place of another”
LOI	Letter of Intent
MACRA	CMS-Medicare Access & CHIP Reauthorization Act of 2015 MAP
MAP	Management Action Plan
MD	Medical Doctor
MGMA	Medical Group Management Association
MS & Med Surg	Medical Surgical Unit
MIPs	CMS-Merit Based Incentive Payment System



Hazel Hawkins

MEMORIAL HOSPITAL

MOB	Medical Office Building
MOR	Management Operating Review
MOU	Memorandum of Understanding
OR	Operating Room
OSHDP	Office of Statewide Health Planning and Development
P&L	Profit and Loss
PA	Physician Assistant
PC	Professional Corporation
PCP	Primary Care Provider
PHO	Physician Hospital Organization
PPS	Prospective Payment System
PR	Public Relations
PSA	Professional Services Agreement
Q1, Q2, etc.	Quarter 1, quarter 2, etc.
QIP	Quality Incentive Program
RA	Recruitment Agreement
RFI	Request for Information
RFP	Request for Proposal
RHC	Rural Health Clinic
SNF	Skilled Nursing Facility
SPC	Structural Performance Category
TBD	To be Determined
TJC	The Joint Commission (formerly JACHO)
TPA	Third Party Administrator
USACS	US Acute Care Solutions
VEP	Pinehurst Hospitalist Medical Group d/b/a VEP Healthcare
VP	Vice President



San Benito Health Care District
 Hazel Hawkins Memorial Hospital
 May 26, 2022

Description	Target	Rolling 12 month March
Overall Rating of the Hospital	77%	72.02 ↓
Likelihood to Recommend the Hospital	75%	66.24 ↓
CMS 30-Day All Cause Readmission Rate	11%	11.44 ↑
Surgical Site Infections (SIR)	1.00	< 1.00

Description	Target	MTD Actual	YTD Actual	YTD Target
Average Daily Census - Acute	16.07	18.33	20.86	14.28
Average Daily Census - SNF	86.00	87.8	81.26	82.38
# of Surgery Cases	234	130	1578	2,311
EBIDA %	2.83%	3.31%	6.28%	3.20%
Operating Margin	-1.70%	-0.81%	2.07%	-1.47%
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.



Hazel Hawkins
MEMORIAL HOSPITAL

Strategic Plan 2020/21

- *September, 2020*
- *March, 2021 Update*
- *Nov 8, 2021 Update*
- *Jan 27, 2022 Final Summary*
- *May 16, 2022 Update*

Hazel Hawkins Memorial Hospital San Benito Health Care District

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- 3. Strategic Priorities..... 5
- 4. Determination of Key Performance Indicators and Targets..... 8
- 5. Suggestions Moving Forward 8

1. Mission and Vision

Mission

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.

2. Current State Analysis

Hazel Hawkins Memorial Hospital (HHMH) is the only hospital in San Benito County California. The County has approximately 63,000 residents as of 2019 with approximately 65% of these residents located in Hollister, CA, or within the city limits.

Hazel Hawkins is well positioned as an integrated delivery system with the following components:

1. Acute care hospital licensed as a Critical Access Hospital (CAH)
2. Emergency department
3. Seven licensed clinics
4. Outpatient facilities for lab and radiology
5. Two skilled nursing facilities
6. San Benito Home Health

Strengths

As the sole (or major provider) of most health services in San Benito County, HHMH is uniquely positioned, and possesses the following strengths:

- Modern emergency department
- New Women's Center
- Clinic network
- Positive relationship with San Benito County Public Health Department
- Sole provider of many health care services

Weakness

Hazel Hawkins is well positioned but has the following weaknesses:

- Aging acute care beds
- Aging billing and finance systems
- Multiple phone systems
- Periodic negative public perception expressed on social media
- Lack of system affiliation that could improve contracting with insurance providers and vendors
- No existing strategic plan

Opportunities

San Benito County and HHMH have the following opportunities:

- Growing population
- Addition of oncology program
- Addition of more primary care physicians
- Introduce fair market value considerations in physician agreements
- Add productivity as a component of future physician agreements
- Improve customer focused employee training
- Outreach program to restore eroded community support
- Commitment to strategic planning process and monitoring performance against the plan

Threats

The outlook for HHMH and San Benito County are bright though the following threats should be considered:

- Uncertainty due to COVID pandemic
- Recession resulting in COVID related unemployment, lack of funding, and forcing the delay of support programs or services
- Competition from local hospitals or health systems
- Eroding community support
- Inability to improve acute care space
- Lack of capital funding to fund necessary system and building upgrades

3. Strategic Priorities Table

Strategic Priorities:			
Activities	Priority	Owner(s)	Timeline
Improve customer experience: 1. Billing office support 2. Patient education on professional bill that will accompany HHMH bill	High	Steve Hannah/Mark Robinson/Frankie Gallagher	May 2021
Improve patient experience	High	Steve Hannah and Barbara Vogelsang	Ongoing
New services to add or increase: 1. Oncology 2. General cardiology 3. Primary care	High	Steve Hannah and Amy Breen-Lema	July 2021
Patient and community education on services offered	High	Steve Hannah and Sherrie Bakke	January 2021
Physician community needs assessment.	High	Steve Hannah and Amy Breen-Lema	March 2021
Space usage study	High	Steve Hannah and Mark Robinson	March 2021

Hazel Hawkins Strategic Plan

Create monthly Patient Advisory Committee	Medium	Steve Hannah and Barbara Vogelsang	March 2021
Conduct mental health needs assessment	Medium	Steve Hannah/Barbara Vogelsang/ Amy Breen-Lema	July 2021
Explore expanded hours: 1. Business Office 2. Clinics 3. Radiology 4. Surgery center	Medium	Barbara Vogelsang/Amy Breen/Mark Robinson	
MD Alignment strategies	Medium	Steve Hannah and Amy Breen-Lema	July 2021
Physician alignment: 1. Model physician foundation expense 2. Project physician integration model expenses	Medium	Steve Hannah and Mark Robinson	October 2021
Consider partnership or joint venture	Low		September 2021

Based upon each activity's cost/benefit analyses, HHMH must continue to prioritize all of the activities identified for each strategic priority. This prioritization of activities may be reflected in the multi-year financial plan as well as the annual budget, which must be created.

4. Determination of Key Performance Indicators and Targets

Based on the strategic priority, each activity should have specific key performance indicators and targets developed that are S.M.A.R.T. - Specific, Measurable, Attainable, Realistic and Timely, making the vision more concrete by defining how success is measured. Performance indicators are used to monitor progress towards strategic priorities, closing the gap between the current and future states, as defined by the vision. They will help track the realization of strategic priorities, measuring the progress towards realizing the vision. Performance indicators should focus on desired outcomes for strategic priorities. Outcomes focus on what difference is being made.

When determining key performance indicators, the following principles should be kept in mind:

- Link to the HHMH strategic priorities;
- Limit to the select few that measure success;
- Guide desired decisions and behaviors;
- Can be easily understood and measured; and
- Are relevant to all of the HHMH departments

Once HHMH has identified its key performance indicators, targets can be set, which are the value of a key performance indicator at a specific moment in time. Targets can be set on a yearly basis or by the end of a 3-5-year cycle with a focus on outputs or what is being done.

5. Suggestions Moving Forward

The plan presented herein is a summary of the HHMH Board Member and Senior Leader meeting to brainstorm strategic priorities. In order to keep track of the progress towards achieving the strategic plan and HHMH's vision, a process must be put in place and a strategic scorecard must be developed. An owner should be identified for this process and the frequency of reporting should be specified and should aim to be at least annually, if not quarterly.

It is possible that certain activities may need to be revisited due to changes in the internal and external environment, and reprioritized. The Administrative Dash Board serves as the referenced score card, depending on the results attained each year. The strategic priorities identified in this plan are important to San Benito County today.

Long-Term Activities: The priorities within this strategic plan are a mix of new ideas, modifications to preexisting activities and inclusion of some that did not develop due to the lack of a current strategic plan. Strategic priorities should increase and be reflective of greater participation and input in to establish a more robust strategic plan in the future that covers more priorities over a greater period of time.

Implementation Suggestions

Hazel Hawkins is uniquely positioned to serve the needs of San Benito County. Strategic planning and progress evaluation are key to future success. This is a preliminary version of a strategic plan, and HHMH should invest time and resources to develop additional plans based largely on the following initiatives identified in this plan:

1. Data resulting from the Physician Community Needs Assessment
2. Data resulting from the Space Usage Study
3. Development of needed health care services for San Benito County and the role HHMH will play in these in the future

STRATEGIC PLAN TRACKING/SCORECARD

ITEM	PRIORITY	EXECUTIVE CHAMPION	IMPLEMENTORS	INITIATIVES	TIMELINE
<p>Improve customer experience:</p> <p>Billing office support</p> <p>Patient education on professional bill that will accompany HHMH bill</p> <p>Future Work:</p> <ol style="list-style-type: none"> 1. Review Meditech billing system detail. 2. Monitoring complaints and response. 3. Implement online bill pay 4. Introduce/implement patient portal with Meditech 	H	Mark	Sherrie/ Mike	<p>Understanding my Bill is posted on line in English and in Spanish. The admission package has been updated to only include the most relevant information for improved patient experience.</p> <p>No Surprise Act added more robust information/responsibility.</p>	<p>March 2022</p> <p>Q2 FY2023</p>
<p>Improve patient experience</p>	H	Barbara	Sherrie	<ul style="list-style-type: none"> • Rounding • Real time monitoring Press Ganey reports and working collaboratively to improve outcomes. 	Ongoing

				<ul style="list-style-type: none"> Proposing change in survey methodology <p>Patient Experience Tracking and Initiatives:</p> <ul style="list-style-type: none"> Introduced Admin Dashboard USACS (ED & Hospitalist) Dashboard updated & established to capture elements included in Admin Dashboard Med/Surg Room Refurbishments Review Dietary Impact on Patient Experience. Implemented designated parking for Women's Center, for patients and visitors and employee remote parking. Lobby/Main entrance refresh 	<p>July 1, 2022</p> <p>January 2022 March 2022</p> <p>On going</p> <p>On going</p> <p>Q3 2022</p> <p>Q3 2022</p> <p>Q3 2022</p>
New services to add or increase:	H	Steve	Amy/Melissa & Perioperative Services		

Hazel Hawkins Strategic Plan

<p>1.Oncology</p> <p>2. General cardiology</p> <p>3. Primary care</p> <p>4. GI</p> <p>5. General Surgery</p> <p>6. Orthopedics</p> <p>7. Observation Unit</p> <p>8. Nuclear Medicine</p> <p>9. Breast Program</p> <p>10. Pharmacy Alignment</p>				<p>1. Under review/consideration due to space and resources.</p> <p>2. Diligent Recruitment Efforts</p> <p>3. Jullian Nguyen, MD</p> <p>4. External group assessment and engagement</p> <p>5. Dr. Penn – Joining post fellowship</p> <p>6. T. Ngyuen, MD,</p> <p>7. Under review</p> <p>8. Under Review</p> <p>9. Work group established</p> <p>10: Pharmacy: Transition to National Pharmacy Management service.</p> <p>11.Develop and implement Business Plans</p> <ul style="list-style-type: none"> o Orthopedics o General surgery <p>12. Consider creating a service line coordinator for GS/Ortho</p>	<p>3. September 2022</p> <p>5. September 2022</p> <p>6. July 2022</p> <p>9.May 2022</p> <p>10.March 2022</p> <p>11.July 1, 2022</p> <p>FY 2023</p>
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Hazel Hawkins Strategic Plan

Patient and community education on services offered	H	Steve	Sherrie	Introduced new social media strategy. Capabilities Brochure Distribution Annual Report/Magazine under development	January 2022 January 2022 June 2022
Space usage study	H	Steve	Mark/Adrian	<ol style="list-style-type: none"> 1. Decompress Current Campus <ul style="list-style-type: none"> • Maple Street Purchase 2. MOB – 3rd floor Women’s Center 3. Implementation of “Option III” approved by Board of Directors. 4. Bed Optimization Taskforce Established. <ul style="list-style-type: none"> • CAH to PPS rate Planning • Current M/S &ICU Beds Licensed • Establish Observation Unit • License Unlicensed Beds in LDRP for M/S Use 	1. April 2022 2. Planning 3. 2030 4. April 2022 Q3 FY2022

Hazel Hawkins Strategic Plan

Create monthly Patient Advisory Committee	H	Barbara	Sherrie	<ol style="list-style-type: none"> 1. Draft purpose statement developed. 2. Initial solicitation for participation. 3. Modified format - service line utilization participation – quarterly feedback 	<p>February 2022</p> <p>March 2022</p> <p>July 2022</p>
Conduct mental health needs assessment Assess HHMH Responsibility in providing BH Care in collaboration with the County.	M	Barbara	Shanell	Behavioral Health Director Resigned. Schedule meeting with new Director	June 2022
Explore need to expand hours: <ol style="list-style-type: none"> 1. Business Office 2. Clinics 3. Diagnostic Imaging 4. Surgical Services 	M	Steve	Mark/Mike/Amy/Bernadette	<p>This will be reviewed in Q2CY22</p> <ol style="list-style-type: none"> 1. New Business Office Director will review HOO 2. Sunset & Barragan: 8-8, M-F 4th Street to resume 12 hour days 3. No update 4. Volume drives expansion 	<p>July 2022</p> <p>April 2022</p> <p>July 2022</p>
MD Alignment strategies	M	Steve	Amy	1. Reconvened Physician Advisory Council	March 2022

Hazel Hawkins Strategic Plan

				<ul style="list-style-type: none"> • Increased from quarterly to every other month based on physician request. • Added Hospitalist to Council • Added Physician Members <p>2. Primary & Specialty networking to improve referrals based on capability knowledge.</p> <p>3. Develop Employment Model</p> <ul style="list-style-type: none"> • Friendly PC • Medical Foundation • 1206-B 	<p>Ongoing</p> <p>Q1CY22</p>
Funding Plan for secondary campus	H	Steve	Mark	<p>1. Funding options have been discussed: capital & borrowing, philanthropy & grants, legislative, financial alignment.</p> <p>2. Further analysis needed</p>	Q1CY23
Organizational Structure	L	Steve	Laura	<p>1. Chief Operating Officer</p> <p>2. Infection Preventionist, SNF</p>	<p>1.June 2022</p> <p>2.May 2022</p>

Hazel Hawkins Strategic Plan

				3. Director, Human Resources	3.May 2022
				4. Director, Clinical Quality Services	4.May 2022
Financial Improvement Plan	H	Steve	Mark	1. EBIDA 6.60% (Target: 1.98%) 2. Operating Margin: 2.38% (Target: -2.46%) 3. Tracking to self-fund \$50-\$100 million	April 2022 5-8 Years



Hazel Hawkins
MEMORIAL HOSPITAL

FINANCE COMMITTEE
Thursday, May 19, 2022, 5:00 p.m
Meeting Agenda

Call to Order

- I. Financial Reports:
 - A. Financial Statements – April 2022

- II. Financial Updates
 - A. Finance Dashboard
 - B. Salinas Valley Radiologists – Radiologist Recruitment Agreement

- III. Contracts
 - A. Steve Clark & Associates, Inc., Consulting Services for the QIP
(Action item)

- IV. Physician Contracts
 - A. Thomas X. Nguyen – Professional Service Agreement and Physician Recruitment Agreement – Orthopedics **(Action item)**
 - B. Central California Anesthesiology Solutions – Anesthesiology Coverage **(Action item)**
 - C. Pinehurst Hospitalist Medical Group **(Action Item)**
 - D. Cytodiagnosics **(Action Item)**

Adjournment



San Benito Health Care District
Finance Committee Minutes
May 19, 2022 - 5:00pm

Present: Jeri Hernandez, Board President
Bill Johnson, Board Secretary
Steven Hannah, Chief Executive Officer
Mark Robinson, Vice President-Finance\Support Services
Amy Breen-Lema, Provider Services & Clinic Operations
Bernadette Enderez, Laboratory & Imaging Services
Lindsey Parnell, Controller

CALL TO ORDER

The meeting of the Finance Committee was called to order at 5:03pm

I. **FINANCIAL STATEMENTS**

A. April 2022

The Financial Statements for April 2022 were presented for review. For the month ending April 30, 2022, the District's Net Surplus (Loss) is \$140,855 compared to a budgeted Surplus (Loss) of \$49,561. The District exceeded its budget for the month by \$91,294.

Acute discharges were over budget for the month by 28 discharges or 18%. The Average Daily Census was 18.33 compared to a budget of 16.07. The average length of stay was 2.93. The Acute I/P gross revenue was over budget by \$652,682 while O/P services gross revenue exceeded budget by \$307,997 or 2%. Inpatient ER visits were over budget by 57 visits while ER O/P visits were under budget by 137 visits or 7%. The Rural Health Clinics treated 4,138 patients (includes 705 visits at the Diabetes Clinic) while the other clinics treated 2,624 outpatients. Other Operating revenue was over budget by \$33,937 due primarily to physician collections exceeding budget. Operating expenses were over budget by \$582,045 due mainly to variances in: Registry by \$392,425 due to medical leaves for employees and employee benefits by \$110,532. Non-operating Revenue was over budget by \$5,251 due to donations not meeting budget.

The Skilled Nursing Facilities had an average daily census of 87.80 with a budgeted ADC of 86. The SNFs Net Surplus (Loss) is \$169,301 compared to a budget of (\$28,298).

Fiscal year ending June 30, 2022 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. **Salinas Valley Radiologists-Proposed Radiologist Recruitment Agreement** Salinas Valley Radiologists has requested our help in recruiting radiologists. Discussions are in progress and additional information will be provided to the Finance Committee if an agreement is reached.

III. **CONTRACTS**

- A. **Steve Clark & Associates, Inc.-Consulting Services for the QIP** – The attached Amendment to Agreement for Services is effective July 1, 2022 and extends the term of the original agreement through June 30, 2023. The Finance Committee recommends this amendment for Board approval.

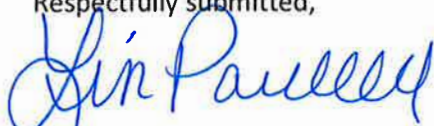
IV. **PHYSICIAN CONTRACTS**

- A. **Thomas X. Nguyen-Professional Services Agreement and Physician Recruitment Agreement-Orthopedics** – The agreement has a proposed effective date of 06/15/2022 with a 3-year term. The first year of the agreement allows for a constant compensation at the 50th percentile of Fair Market Value. In the second year, compensation adjusts from \$540,000 to a productivity-based structure. A signing incentive of \$20,000 is forgivable over two (2) years and the physician is eligible for reimbursement of up to \$5,000 in relocation expenses. The Finance Committee recommends this agreement for Board approval.
- B. **Central California Anesthesiology Solutions-Professional Services Agreement** – The agreement has a proposed effective date of 07/01/2022 with a 3-year term, and allows for a constant compensation at the 75th percentile of Fair Market Value. The contract rate includes an annual coverage fee of \$2,017,120. The annual subsidy factors in an estimated professional fee collections guarantee of \$450,000 annually, of which 90% of any surplus will be returned to the District. The agreement also includes a termination clause of 90-days after the first 6 months. The Finance Committee recommends this agreement for Board approval.
- C. **Pinehurst Hospitalist Medical Group, Inc.-Amendment to Professional Services Agreement** – The amendment has a proposed effective date of 06/01/2022 with a 3-year term and a 90-day termination clause. The amendment to the agreement allows for an annual subsidy of \$2,248,317, at the 75th percentile of Fair Market Value. Under the amendment to the agreement, \$80,000 of the annual subsidy is at-risk through performance metrics. The Finance Committee recommends this agreement for Board approval.
- D. **Cytodiagnosics, A Medical Corporation-Professional Services Agreement** – The agreement converts pathology services to a productivity model, allowing the hospital to bill the technical component of pathology services. The proposed effective date of the agreement is 07/01/2022, with a 3-year term and a 180-day termination clause. The pathology technical component services are based on the current Medicare fee schedule. The Medical directorship fee of \$3,100 per month, based on a minimum of 20 hours per month, under the agreement is at less than the 75th percentile of Fair Market Value. The Finance Committee recommends this agreement for Board approval.

ADJOURNMENT

There being no further business, the Committee was adjourned at 5:57pm.

Respectfully submitted,



Lindsey Parnell
Controller



FINANCE COMMITTEE
Thursday, May 19, 2022, 5:00 p.m
Meeting Agenda

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Adjournment

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Hazel Hawkins
MEMORIAL HOSPITAL

May 19, 2022

CFO Financial Summary for the Finance Committee:

For the month ending April 30, 2022, the District's Net Surplus (**Loss**) is \$140,855 compared to a budgeted Surplus (**Loss**) of \$49,561. The District exceeded its budget for the month by \$91,294.

For the YTD ending April 30, 2022, the District's Net Surplus (**Loss**) is \$5.06 million compared to a budgeted Surplus (**Loss**) of \$841,412. The District is exceeding its budget YTD by \$4.22 million.

Acute discharges were 188 for the month, exceeding budget by 28 discharges or 18%. The ADC was 18.33 compared to a budget of 16.07. The ALOS was 2.93. The acute I/P gross revenue exceeded budget by **\$652,682** while O/P services gross revenue was **\$307,997** or 2% over budget. ER I/P visits were 160 and ER O/P visits were 1,649 compared to the budget of 1,786 visits. The RHCs & Specialty Clinics treated 4,138 (includes 705 visits at the Diabetes Clinic) and 2,624 visits respectively.

Other Operating revenue exceeded budget by **\$33,937** due primarily to physician collections exceeding budget.

Operating Expenses were over budget by **\$582,045** due mainly to variances in: Registry by \$392,425 due to medical leaves for employees and employee benefits by \$110,532.

Non-operating Revenue was under budget by **\$5,251** due to donations not meeting budget.

The SNFs ADC was **87.80** for the month. The Net Surplus (**Loss**) is \$169,301 compared to a budget of (**\$28,298**). The ADC is budgeted to be 86 residents for the month. YTD, the SNFs Net Surplus (**Loss**) is \$168,758. The State has increased its per diem rate to \$682.38 from \$626.60 effective 08/01/2021. The State should reprocess all the RAs using the new rate before year-end.

The debt service ratio for the fiscal year ending June 30, 2021 is budgeted to exceed **1.25**, the days-cash-on-hand is projected to exceed **30.00** and the current ratio is projected to be more 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.

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HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 04/30/22

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 04/30/22	BUDGET 04/30/22	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/21	ACTUAL 04/30/22	BUDGET 04/30/22	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/21
GROSS PATIENT REVENUE:										
ACUTE ROUTINE REVENUE	3,584,501	3,285,833	298,668	9	3,229,657	41,289,334	29,586,133	11,703,201	40	33,866,177
SNF ROUTINE REVENUE	1,977,000	1,681,449	295,551	18	1,532,210	17,111,760	16,323,503	788,257	5	14,205,740
ANCILLARY INPATIENT REVENUE	4,747,680	4,640,052	107,628	2	4,778,869	52,591,656	42,012,746	10,578,910	25	47,194,218
HOSPITALIST\PEDS I\P REVENUE	192,680	0	192,680		157,126	2,089,813	971,096	1,118,717	115	1,656,861
TOTAL GROSS INPATIENT REVENUE	10,501,861	9,607,334	894,527	9	9,697,861	113,082,563	88,893,478	24,189,085	27	96,922,996
ANCILLARY OUTPATIENT REVENUE	19,341,786	19,093,979	247,807	1	18,216,712	200,046,881	193,890,932	6,155,949	3	178,840,794
HOSPITALIST\PEDS O\P REVENUE	60,191	0	60,191		43,576	564,101	83,398	480,703	576	214,878
TOTAL GROSS OUTPATIENT REVENUE	19,401,976	19,093,979	307,997	2	18,260,288	200,610,983	193,974,330	6,636,653	3	179,055,672
TOTAL GROSS PATIENT REVENUE	29,903,837	28,701,313	1,202,524	4	27,958,149	313,693,546	282,867,808	30,825,738	11	275,978,667
DEDUCTIONS FROM REVENUE:										
MEDICARE CONTRACTUAL ALLOWANCES	7,588,051	7,435,508	152,543	2	7,152,205	77,968,268	73,660,511	4,307,757	6	73,077,278
MEDI-CAL CONTRACTUAL ALLOWANCES	6,759,503	6,044,450	715,053	12	6,638,609	76,741,423	58,846,978	17,894,445	30	55,671,819
BAD DEBT EXPENSE	275,585	263,901	11,684	4	240,977	3,115,270	2,593,410	521,860	20	2,710,441
CHARITY CARE	87,523	69,654	17,869	26	49,453	752,635	684,495	68,140	10	715,383
OTHER CONTRACTUALS AND ADJUSTMENTS	3,509,839	3,897,501	(387,662)	(10)	3,667,863	37,911,413	38,256,506	(345,093)	(1)	39,391,116
HOSPITALIST\PEDS CONTRACTUAL ALLOW	(18,148)	0	(18,148)		(18,472)	82,981	31,634	51,347	162	61,696
TOTAL DEDUCTIONS FROM REVENUE	18,202,353	17,711,014	491,339	3	17,730,634	196,571,990	174,073,534	22,498,456	13	171,627,733
NET PATIENT REVENUE	11,701,484	10,990,299	711,185	7	10,227,515	117,121,556	108,794,274	8,327,282	8	104,350,935
OTHER OPERATING REVENUE	568,602	534,665	33,937	6	920,593	6,461,752	5,498,337	963,415	18	10,178,567
NET OPERATING REVENUE	12,270,086	11,524,964	745,122	7	11,148,107	123,583,308	114,292,611	9,290,697	8	114,529,502
OPERATING EXPENSES:										
SALARIES & WAGES	4,599,449	4,721,896	(122,447)	(3)	4,339,456	47,010,398	46,586,109	424,289	1	42,692,267
REGISTRY	573,640	177,226	396,414	224	481,935	4,360,392	1,746,581	2,613,811	150	8,142,918
EMPLOYEE BENEFITS	2,725,422	2,602,743	122,679	5	2,379,243	25,446,718	25,742,346	(295,628)	(1)	23,512,749
PROFESSIONAL FEES	1,470,118	1,437,643	32,475	2	1,507,683	14,379,399	14,304,728	74,671	1	13,737,247
SUPPLIES	1,107,854	1,042,859	64,995	6	817,119	11,640,194	10,261,829	1,378,365	13	10,329,469
PURCHASED SERVICES	1,080,354	977,601	102,753	11	1,048,333	10,124,922	9,735,995	388,927	4	9,988,882
RENTAL	145,163	139,630	5,533	4	179,352	1,471,093	1,396,327	74,766	5	1,616,733
DEPRECIATION & AMORT	311,688	323,393	(11,705)	(4)	318,823	3,116,729	3,233,948	(117,219)	(4)	3,346,928
INTEREST	1,062	5,731	(4,669)	(82)	2,941	27,197	57,822	(30,625)	(53)	31,252
OTHER	354,259	291,707	62,552	21	270,485	3,452,827	2,902,160	550,667	19	2,761,467
TOTAL EXPENSES	12,369,008	11,720,429	648,579	6	11,345,368	121,029,869	115,967,845	5,062,024	4	116,159,910
NET OPERATING INCOME (LOSS)	(98,922)	(195,465)	96,543	(49)	(197,261)	2,553,439	(1,675,234)	4,228,673	(252)	(1,630,408)

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HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 04/30/22

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 04/30/22	BUDGET 04/30/22	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/21	ACTUAL 04/30/22	BUDGET 04/30/22	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/21
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	5,000	(5,000)	(100)	0	146,980	165,000	(18,020)	(11)	136,601
PROPERTY TAX REVENUE	185,249	185,247	2	0	171,868	1,852,490	1,852,483	7	0	1,718,683
GO BOND PROP TAXES	160,091	160,090	1	0	155,365	1,600,905	1,600,905	0	0	1,553,650
GO BOND INT REVENUE\EXPENSE	(75,091)	(75,090)	(1)	0	(77,865)	(750,905)	(750,905)	0	0	(778,650)
OTHER NON-OPER REVENUE	7,872	7,866	6	0	7,866	96,550	78,663	17,887	23	17,353
OTHER NON-OPER EXPENSE	(38,344)	(38,162)	(182)	1	(47,475)	(428,072)	(430,250)	2,178	(1)	(859,364)
INVESTMENT INCOME	0	75	(75)	(100)	1,262	(11,313)	750	(12,063)	(1,608)	(5,391)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	239,777	245,026	(5,249)	(2)	211,022	2,506,635	2,516,646	(10,011)	0	1,782,881
NET SURPLUS (LOSS)	140,855	49,561	91,294	184	13,761	5,060,074	841,412	4,218,662	501	152,472
EBIDA	\$ 405,887	\$ 326,116	\$ 79,771	24.46%	\$ 302,559	\$ 7,754,875	\$ 3,655,610	\$ 4,099,265	112.13%	\$ 3,583,764
EBIDA MARGIN	3.31%	2.83%	0.48%	16.90%	2.71%	6.28%	3.20%	3.08%	96.18%	3.13%
OPERATING MARGIN	(0.81)%	(1.70)%	0.89%	(52.46)%	(1.77)%	2.07%	(1.47)%	3.53%	(240.96)%	(1.42)%
NET SURPLUS (LOSS) MARGIN	1.15%	0.43%	0.72%	166.95%	0.12%	4.09%	0.74%	3.36%	456.15%	0.13%

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HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 04/30/22

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 04/30/22	BUDGET 04/30/22	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/21	ACTUAL 04/30/22	BUDGET 04/30/22	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/21
GROSS PATIENT REVENUE:										
ROUTINE REVENUE	3,584,501	3,285,833	298,668	9	3,229,657	41,289,334	29,586,133	11,703,201	40	33,866,177
ANCILLARY INPATIENT REVENUE	4,469,834	4,308,501	161,333	4	4,482,271	50,240,192	38,794,388	11,445,804	30	45,075,591
HOSPITALIST I\I P REVENUE	192,680	0	192,680		157,126	2,089,813	971,096	1,118,717	115	1,656,861
TOTAL GROSS INPATIENT REVENUE	8,247,016	7,594,334	652,682	9	7,869,053	93,619,339	69,351,617	24,267,722	35	80,598,629
ANCILLARY OUTPATIENT REVENUE	19,341,786	19,093,979	247,807	1	18,216,712	200,046,881	193,890,932	6,155,949	3	178,840,794
HOSPITALIST O\I P REVENUE	60,191	0	60,191		43,576	564,101	83,398	480,703	576	214,878
TOTAL GROSS OUTPATIENT REVENUE	19,401,976	19,093,979	307,997	2	18,260,288	200,610,983	193,974,330	6,636,653	3	179,055,672
TOTAL GROSS ACUTE PATIENT REVENUE	27,648,992	26,688,313	960,679	4	26,129,341	294,230,322	263,325,947	30,904,375	12	259,654,301
DEDUCTIONS FROM REVENUE ACUTE:										
MEDICARE CONTRACTUAL ALLOWANCES	7,363,452	7,204,862	158,590	2	7,012,205	76,450,777	71,437,557	5,013,220	7	72,076,439
MEDI-CAL CONTRACTUAL ALLOWANCES	6,606,087	5,870,750	735,337	13	6,687,685	76,010,138	57,855,964	18,154,174	31	56,771,403
BAD DEBT EXPENSE	309,529	263,901	45,628	17	226,230	3,035,228	2,593,410	441,818	17	2,691,014
CHARITY CARE	87,523	69,654	17,869	26	49,453	644,889	684,495	(39,606)	(6)	715,383
OTHER CONTRACTUALS AND ADJUSTMENTS	3,447,662	3,865,914	(418,252)	(11)	3,602,884	37,558,382	37,932,183	(373,801)	(1)	39,083,481
HOSPITALIST\PEDS CONTRACTUAL ALLOW	(18,148)	0	(18,148)		(18,472)	82,981	31,634	51,347	162	61,696
TOTAL ACUTE DEDUCTIONS FROM REVENUE	17,796,106	17,275,081	521,025	3	17,559,984	193,782,393	170,535,243	23,247,150	14	171,399,416
NET ACUTE PATIENT REVENUE	9,852,886	9,413,232	439,654	5	8,569,357	100,447,928	92,790,704	7,657,224	8	88,254,885
OTHER OPERATING REVENUE	568,602	534,665	33,937	6	920,593	6,461,752	5,498,337	963,415	18	10,178,567
NET ACUTE OPERATING REVENUE	10,421,488	9,947,897	473,591	5	9,489,950	106,909,680	98,289,041	8,620,639	9	98,433,452
OPERATING EXPENSES:										
SALARIES & WAGES	3,680,158	3,860,514	(180,356)	(5)	3,504,547	38,219,867	38,065,958	153,909	0	34,401,675
REGISTRY	564,826	172,401	392,425	228	466,757	4,256,291	1,697,689	2,558,602	151	7,927,209
EMPLOYEE BENEFITS	2,177,584	2,067,052	110,532	5	1,839,685	20,022,533	20,435,716	(413,183)	(2)	18,278,444
PROFESSIONAL FEES	1,467,987	1,428,032	39,955	3	1,505,643	14,358,670	14,208,273	150,397	1	13,715,818
SUPPLIES	1,028,854	964,915	63,939	7	781,242	10,770,129	9,491,682	1,278,447	14	9,611,591
PURCHASED SERVICES	1,022,109	917,602	104,507	11	984,500	9,472,262	9,137,476	334,786	4	9,160,013
RENTAL	144,184	138,632	5,552	4	178,382	1,458,864	1,386,363	72,501	5	1,602,673
DEPRECIATION & AMORT	271,140	282,496	(11,356)	(4)	278,429	2,717,316	2,824,982	(107,666)	(4)	2,939,165
INTEREST	1,062	5,731	(4,669)	(82)	2,941	27,197	57,822	(30,625)	(53)	31,252
OTHER	314,087	252,570	61,517	24	236,058	3,054,661	2,503,150	551,511	22	2,377,151
TOTAL EXPENSES	10,671,990	10,089,945	582,045	6	9,778,184	104,357,791	99,809,111	4,548,680	5	100,044,991
NET OPERATING INCOME (LOSS)	(250,502)	(142,048)	(108,454)	76	(288,234)	2,551,889	(1,520,070)	4,071,959	(268)	(1,611,539)

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HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 04/30/22

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 04/30/22	BUDGET 04/30/22	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/21	ACTUAL 04/30/22	BUDGET 04/30/22	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/21
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	5,000	(5,000)	(100)	0	146,980	165,000	(18,020)	(11)	136,601
PROPERTY TAX REVENUE	159,183	159,182	1	0	147,685	1,591,830	1,591,825	5	0	1,476,851
GO BOND PROP TAXES	160,091	160,090	1	0	155,365	1,600,905	1,600,905	0	0	1,553,650
GO BOND INT REVENUE\EXPENSE	(75,091)	(75,090)	(1)	0	(77,865)	(750,905)	(750,905)	0	0	(778,650)
OTHER NON-OPER REVENUE	7,872	7,866	6	0	7,866	96,550	78,663	17,887	23	17,353
OTHER NON-OPER EXPENSE	(30,002)	(29,819)	(183)	1	(37,099)	(334,607)	(336,784)	2,177	(1)	(726,527)
INVESTMENT INCOME	0	75	(75)	(100)	1,262	(11,313)	750	(12,063)	(1,608)	(5,391)
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	222,053	227,304	(5,251)	(2)	197,215	2,339,441	2,349,454	(10,014)	0	1,673,886
NET SURPLUS (LOSS)	(28,449)	85,256	(113,705)	(133)	(91,019)	4,891,330	829,384	4,061,946	490	62,347

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HAZEL HAWKINS SKILLED NURSING FACILITIES
 HOLLISTER, CA
 FOR PERIOD 04/30/22

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 04/30/22	BUDGET 04/30/22	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/21	ACTUAL 04/30/22	BUDGET 04/30/22	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 04/30/21
GROSS SNF PATIENT REVENUE:										
ROUTINE SNF REVENUE	1,977,000	1,681,449	295,551	18	1,532,210	17,111,760	16,323,503	788,257	5	14,205,740
ANCILLARY SNF REVENUE	277,846	331,551	(53,705)	(16)	296,598	2,351,464	3,218,358	(866,894)	(27)	2,118,626
TOTAL GROSS SNF PATIENT REVENUE	2,254,846	2,013,000	241,846	12	1,828,808	19,463,224	19,541,861	(78,637)	0	16,324,366
DEDUCTIONS FROM REVENUE SNF:										
MEDICARE CONTRACTUAL ALLOWANCES	224,598	230,646	(6,048)	(3)	140,000	1,517,491	2,222,954	(705,463)	(32)	1,000,838
MEDI-CAL CONTRACTUAL ALLOWANCES	153,417	173,700	(20,283)	(12)	(49,076)	731,286	991,014	(259,728)	(26)	(1,099,584)
BAD DEBT EXPENSE	(33,945)	0	(33,945)		14,747	80,043	0	80,043		19,427
CHARITY CARE	0	0	0	0	0	107,746	0	107,746		0
OTHER CONTRACTUALS AND ADJUSTMENTS	62,177	31,587	30,590	97	64,979	353,031	324,323	28,708	9	307,635
TOTAL SNF DEDUCTIONS FROM REVENUE	406,248	435,933	(29,685)	(7)	170,650	2,789,596	3,538,291	(748,695)	(21)	228,317
NET SNF PATIENT REVENUE	1,848,598	1,577,067	271,531	17	1,658,158	16,673,628	16,003,570	670,058	4	16,096,050
OTHER OPERATING REVENUE	0	0	0	0	0	0	0	0	0	0
NET SNF OPERATING REVENUE	1,848,598	1,577,067	271,531	17	1,658,158	16,673,628	16,003,570	670,058	4	16,096,050
OPERATING EXPENSES:										
SALARIES & WAGES	919,291	861,382	57,909	7	834,909	8,790,532	8,520,151	270,381	3	8,290,593
REGISTRY	8,814	4,825	3,989	83	15,177	104,101	48,892	55,209	113	215,709
EMPLOYEE BENEFITS	547,838	535,691	12,147	2	539,558	5,424,186	5,306,630	117,556	2	5,234,304
PROFESSIONAL FEES	2,130	2,214	(84)	(4)	2,040	20,728	21,496	(768)	(4)	21,429
SUPPLIES	79,000	77,944	1,056	1	35,877	870,065	770,147	99,918	13	717,878
PURCHASED SERVICES	58,245	59,999	(1,754)	(3)	63,833	652,658	598,519	54,139	9	828,869
RENTAL	982	998	(16)	(2)	970	12,217	9,964	2,253	23	14,060
DEPRECIATION	40,548	40,897	(349)	(1)	40,394	399,412	408,966	(9,554)	(2)	407,763
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHER	40,173	39,137	1,036	3	34,428	398,165	399,010	(845)	0	384,316
TOTAL EXPENSES	1,697,021	1,623,087	73,934	5	1,567,185	16,672,064	16,083,775	588,289	4	16,114,919
NET OPERATING INCOME (LOSS)	151,578	(46,020)	197,598	(429)	90,973	1,564	(80,205)	81,769	(102)	(18,870)
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	26,066	26,065	1	0	24,183	260,660	260,658	2	0	241,832
OTHER NON-OPER EXPENSE	(8,343)	(8,343)	0	0	(10,376)	(93,466)	(93,466)	1	0	(132,837)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	17,723	17,722	1	0	13,808	167,195	167,192	3	0	108,995
NET SURPLUS (LOSS)	169,301	(28,298)	197,599	(698)	104,781	168,758	86,987	81,771	94	90,126

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San Benito Health Care District
 Hazel Hawkins Memorial Hospital
 APRIL 2022

Description	Target	MTD Actual	YTD Actual	YTD Target
Average Daily Census - Acute	16.07	18.33	20.86	14.28
Average Daily Census - SNF	86.00	87.80	81.26	82.38
Acute Length of Stay	3.01	2.93	3.35	3.03
<u>ER Visits:</u>				
Inpatient	103	160	1,476	1,001
Outpatient	1,786	1,649	17,790	17,406
Total	1,889	1,809	19,266	18,407
Days in Accounts Receivable	45.0	41.9	41.9	45.0
Productive Full-Time Equivalent	495.86	527.73	500.56	495.86
Net Patient Revenue	10,990,299	11,701,484	117,121,556	108,794,274
Medicare Traditional Payor Mix	25.86%	32.66%	30.93%	26.97%
Commercial Payor Mix	30.30%	21.40%	23.67%	31.14%
Bad Debt % of Gross Revenue	0.92%	0.90%	1.00%	0.92%
EBIDA	326,116	405,887	7,754,875	3,655,610
EBIDA %	2.83%	3.31%	6.28%	3.20%
Operating Margin	-1.70%	-0.81%	2.07%	-1.47%
Salaries, Wages, Registry & Benefits %:				
by Net Operating Revenue	65.09%	64.37%	62.16%	64.81%
by Total Operating Expense	64.01%	63.86%	63.47%	63.88%
<u>Bond Covenants:</u>				
Debt Service Ratio	1.25	4.98	4.98	1.25
Current Ratio	1.50	1.67	1.67	1.50
Days Cash on hand	30.00	41.4	41.4	30.00
Met or Exceeded Target				
Within 10% of Target				
Not Within 10%				

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Statement of Cash Flows
Hazel Hawkins Memorial Hospital
Hollister, CA
Ten months ending April 30, 2022

	CASH FLOW		COMMENTS
	Current Month 4/30/2022	Current Year-To-Date 4/30/2022	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$140,855	\$5,060,075	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	326,653	3,266,382	
(Increase)/Decrease in Net Patient Accounts Receivable	(145,632)	(1,541,397)	
(Increase)/Decrease in Other Receivables	(1,281,397)	8,003,127	
(Increase)/Decrease in Inventories	16,670	(236,948)	
(Increase)/Decrease in Pre-Paid Expenses	126,658	(500,951)	
(Increase)/Decrease in Due From Third Parties	0	490,502	
Increase/(Decrease) in Accounts Payable	354,353	482,699	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	(1,780,585)	(1,818,754)	
Increase/(Decrease) in Accrued Expenses	6,833	3,248	
Increase/(Decrease) in Patient Refunds Payable	(95,767)	0	
Increase/(Decrease) in Third Party Advances/Liabilities	2,768,988	(10,114,550)	
Increase/(Decrease) in Other Current Liabilities	108,819	206,384	Semi-Annual Interest - 2021 Insured Revenue Bonds
Net Cash Provided by Operating Activities:	405,593	(1,760,258)	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(2,122,227)	(4,452,230)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	(190,712)	(1,293,930)	Bond Principal & Int Payment - 2014 & 2021 Bonds
(Increase)/Decrease in Other Assets	6,416	64,160	Amortization
Net Cash Used by Investing Activities	(2,306,523)	(5,682,000)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Bond/Mortgage Debt	(192)	(1,596,872)	Refinancing of 2013 Bonds with 2021 Bonds
Increase/(Decrease) in Capital Lease Debt	(28,520)	1,223,716	
Increase/(Decrease) in Other Long Term Liabilities	0	56,145	
Net Cash Used for Financing Activities	(28,712)	(317,011)	
(INCREASE)/DECREASE IN RESTRICTED ASSETS	25,000	25,000	
Net Increase/(Decrease) in Cash	(1,763,787)	(2,674,194)	
Cash, Beginning of Period	17,865,651	18,776,056	
Cash, End of Period	\$16,101,862	\$16,101,862	\$0
Cost per day to run the District	\$389,252		
Operational Days Cash on Hand	41.37		

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Hazel Hawkins Memorial Hospital
 Bad Debt Expense
 For the Year Ending June 30, 2022

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Budgeted Gross Revenue	28,077,628	28,267,165	27,507,614	30,000,374	27,367,008	27,461,364	29,584,020	27,738,115	28,163,207	28,701,313	27,450,017	26,750,954	337,068,779
Budgeted Bad Debt Expense	256,791	258,639	251,859	275,200	249,843	250,205	272,444	256,135	258,393	263,901	250,864	244,615	3,088,889
BD Exp as a percent of Gross Revenue	0.91%	0.91%	0.92%	0.92%	0.91%	0.91%	0.92%	0.92%	0.92%	0.92%	0.91%	0.91%	0.92%
Actual Gross Revenue	30,573,916	32,794,947	31,149,360	30,941,189	29,743,202	32,375,338	32,845,938	27,616,502	33,348,273	29,650,966	-	-	311,039,631
Actual Bad Debt Expense	253,140	298,645	409,735	369,191	292,840	311,132	261,710	317,672	325,621	275,585	-	-	3,115,271
BD Exp as a percent of Gross Revenue	0.83%	0.91%	1.32%	1.19%	0.98%	0.96%	0.80%	1.2%	1.0%	0.9%	#DIV/0!	#DIV/0!	1.00%
Budgeted YTD BD Exp	2,593,410	0.92%											
Actual YTD BD Exp	3,115,271	1.00%											
											YTD Charity Exp Budget		684,495
											YTD Charity Exp Actual		752,635
Amount under (over) budget	(521,861)	-0.08%											
											Amt under (over) budget		(68,140)
Prior Year percent of Gross Revenue	0.95%										Charity Exp % of Gross Rev		0.24%
Percent of Decrease (Inc) from Prior Year	-5.4%												

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**HAZEL HAWKINS HOSPITAL
BAD DEBT WRITE OFF
MAY
2022**

CCS BAD DEBT RECOVERY %:		15.80%
BAD DEBT RECOVERY \$: APRIL 2022	\$	99,433.12

COLLECTION CONSULTING SERVICES:

430 Accounts Ready for Collections	\$	395,835.10
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TOTAL BAD DEBT	\$	395,835.10
WRITE-OFF COUNT	#	430

CHARITY CARE APRIL 2022

37 Accounts W/O to Charity	\$	51,487.06
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SLIDING FEE SCALE CLINICS APRIL 2022

76 Accounts W/O to Sliding Fee Scale	\$	36,036.25
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TOTAL CHARITY CARE APRIL 2022	\$	87,523.31
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***NOTE**

TOTAL WRITE-OFF	\$	483,358.41
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AMENDMENT NO. 1 TO AGREEMENT FOR SERVICES

This Amendment No. 1 ("Amendment No. 1") effective July 1, 2022 ("Effective Date") is to that certain Agreement for Services by and between Hazel Hawkins Memorial Hospital, and Steve Clark & Associates, Inc., a California corporation ("SCA").

RECITALS

- A. Hazel Hawkins Memorial Hospital and Steve Clark & Associates entered into an Agreement for Services dated March 18, 2021, for consulting services pertaining to providing consultation and specific expertise on the Hospital's transition from PRIME to QIP ("Service Agreement").
- B. The parties desire to amend the Service Agreement to extend the term and make other changes to the Service Agreement.

The parties hereby agree as follows:


1. Term. The term of the Service Agreement, as amended, is for twelve additional months, from July 1, 2022 through June 30, 2023.
2. Compensation. Section 3 "Compensation and Expenses" of the Service Agreement will be consistent with the compensation arrangement described in the March 18, 2021 contract that is based upon \$7,500 a month flat fee plus an additional \$2,000 a month based upon the number of metrics for which the hospital is measured.
3. Full Force and Effect. This Amendment No. 1 amends the terms of the Service Agreement and is deemed incorporated into, and governed by all other terms of the Service Agreement. To the extent that the Service Agreement is explicitly amended by this Amendment No. 1, the terms of this Amendment No. 1 will control. Where the Service Agreement is not explicitly amended, the terms of the Service Agreement will remain in full force and effect.
4. Further Actions. Each party shall execute, acknowledge and deliver such further instruments, and do all other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Amendment No. 1.
5. Counterparts. This Amendment No. 1 may be signed in counterparts, each and every one of which shall be deemed an original, notwithstanding variations in format or file designation, which may result from the electronic transmission, storage and printing of copies of this Amendment No. 1.

The parties have executed this Amendment No. 1 as of the Effective Date first set forth above.

Hazel Hawkins Memorial Hospital

Steve Clark & Associates, Inc.

By: _____
Mark Robinson, Chief Financial Officer


By: _____
Stephen C. Clark, Partner

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MEMORANDUM

To: SBHCD Board of Directors

From: Steven M. Hannah, MHA
Chief Executive Officer

Date: May 5, 2022

Re: **Recommendation for Board Approval of Findings Supporting Recruitment of an Orthopedic Surgeon and Approval of Recruitment Incentive for Thomas X. Nguyen, MD**

Executive Summary

Hospital Administration has identified the recruitment of a physician specializing in orthopedic surgery as a recruiting priority for the District's service area. Recruiting an orthopedic surgeon to the community will increase access to care, provide additional emergency department call coverage, and provide the opportunity to expand surgery services in the community.

The recommended physician, Dr. Thomas X. Nguyen, received his Doctor of Medicine degree and orthopedic surgery residency from Howard University College of in Washington, D.C.

The proposed physician recruitment requires the execution of a Physician Recruitment Agreement between Dr. Thomas X. Nguyen and SBHCD. The Recruitment Agreement provides for reimbursement of relocation expenses in an amount not to exceed five thousand dollars (\$5,000.00). In order to support the recruitment of this physician, the Board needs to make certain findings as set forth in the recommendation below.

Recommendation

Administration requests that the SBHCD Board of Directors approve the following:

1. **The Findings Supporting the Recruitment of an Orthopedic Surgeon to join the Hospital's Medical Staff:**
 - **The recruitment of an orthopedic surgeon by SBHCD is in the best interest of the public health of the communities served by the District; and**
 - **The recruitment incentive proposed and supported by SBHCD for this recruitment is necessary in order to relocate and attract an appropriately qualified physician to practice in the communities served by the District.**
2. **The recruitment incentive in the amount of twenty thousand dollars (\$20,000.00) to be set forth in a Recruitment Agreement between SBHCD and Thomas X. Nguyen, MD.**

Attachments

Curriculum Vitae – Thomas X. Nguyen, MD.

127.



Contract Review Worksheet – Thomas X. Nguyen, M.D.

Agreement Type: New Amendment _____ Addendum _____

Medical Director Professional Services ED On-Call
 Recruitment Hospital Coverage Leadership/Committee
 Other (specify): _____

Contracting Entity Name: Thomas X. Nguyen, M.D.

Executive Summary: Dr. Nguyen is a board eligible orthopedic surgeon fellowship trained in Sports Medicine.

Services Provided: Dr. Nguyen will provide full-time professional orthopedic surgery & sports medicine and call coverage in the hospital and Orthopedic Specialty clinic.

Department	Cost Center	Person Responsible for Oversight
Orthopedic Specialty clinic	01.7076	1: CEO 2: Dir, Provider Svcs & Clinic Operations

Agreement Terms:

Proposed Effective Date: 6/15/2022 Contract Term: 36 months Expiration Date 6/14/25 Auto-renew: Yes

Financial Terms:

Select One: Funds to be Paid to Hospital Funds to be Paid by Hospital

Contract Rate: Base compensation for Year One is \$540,000 (> MGMA median). A signing incentive of \$20,000 is forgivable over two (2) years. Base compensation for Years Two and Three will be productivity-based and mutually agreed upon. Physician is eligible for reimbursement of up to \$5,000 in relocation expenses.

Contract Term	FMV %ile	FTE	Base Monthly Cost	Expected Annual Base Cost (Year One)
3 years	> Median	1.0	\$45,000	\$565,000

Other Compensation Agreements with Contracting Entity (List All)

Specify: N/A

Required Assessment/Attachments (required prior to approval):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Drafted or template | <input type="checkbox"/> Other Associated Contracts |
| <input checked="" type="checkbox"/> Contract FMV | <input type="checkbox"/> Supplemental doc if FMV >75 th %ile |
| <input checked="" type="checkbox"/> Overall FMV | <input checked="" type="checkbox"/> Commercial Reasonableness Documented |
| <input type="checkbox"/> Certificate of Liability Insurance | <input type="checkbox"/> Business Associate Agreement |
| <input type="checkbox"/> Supplemental checklist (if w/in 1 yr of orig & \$ change) | |

Required Assessment/Attachments (required prior to approval):

	Name/Activity	Date/Note
Requested by/Responsible:	Steven Hannah, CEO	4/20/22

1286



Hazel Hawkins
MEMORIAL HOSPITAL

Contract Review Worksheet – Thomas X. Nguyen, M.D.

Review following signatures/approval:

Legal Counsel:	5/9/22
Finance Committee:	5/19/22
Board of Directors (if required: insert N/A or Board approval date at right):	5/26/22

Review following signatures:

Signatures: MD: _____ CEO: _____	
Board of Directors (if required: insert N/A or Board approval date at right)	5/26/22
Added to physician contract tracking document	
Contract Administrator – final review:	

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is made, entered into and effective as of **June 15, 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 **Thomas X. Nguyen, 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 rural health clinics as defined in Title 22, California Code of Regulations section 51115.5 to provide services to patients in the Hospital Service Area ("Clinics"). Clinics operate under the name "Hazel Hawkins Community Health Clinics."
- C. 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 orthopedic 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.
- 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 personally 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 Clinics 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 Clinics 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 Clinics and Hospital.
 - 2.1.3 Non-physician Personnel. All non-physician personnel with appropriate education, training and experience required to operate the Clinics 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 Clinics 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 Clinics 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 Clinics 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. 30.2.7.

4. COMPENSATION FOR SERVICES BY PHYSICIAN

- 4.1 Compensation. As compensation for the provision of Services in the Clinics 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 Clinics 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 that in the case of (i) Sections 5.3.4 and 5.3.5, no additional notice beyond that specified therein shall be required, (ii) Section 5.3.6, no notice shall be required and this Agreement will terminate effective as of the date of such exclusion, suspension, debarment from, or ineligibility for, any federal or state health care program, and/or of such conviction of a criminal offense related to conduct that would or could trigger an exclusion from any federal or state health care program, and (iii) insolvency or bankruptcy described in Section 5.3.2, as of the date of such insolvency or declaration of bankruptcy, as applicable).
- 5.3 Definition of Cause. For purposes of this Agreement, "cause" shall include, but not be limited to, the occurrence of any of the following events:
- 5.3.1 SBHCD or 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.

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

8. LIABILITY/MALPRACTICE INSURANCE COVERAGE

- 8.1 SBHCD and Hospital shall maintain general and professional liability insurance coverage 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: Thomas X. Nguyen, M.D.
230 Lighthouse Avenue #210
Monterey, CA 93940
- 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.

Signatures on Following Page

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

SBHCD
San Benito Health Care District

Physician
Thomas X. Nguyen, M.D.

By: _____
Steven Hannah, Chief Executive Officer

Thomas X. Nguyen, M.D.

Date: _____

Date: _____

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 **Professional Services.** Physician shall provide Services in the Clinics 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.1.2 **Specialty Services.** Physician shall provide the following **Orthopedic 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 group; 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.1.3 **Clinic Services.** Clinics' 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.1.3.1 New and follow-up office visits;
 - A.1.3.2 Consultations;
 - A.1.3.3 Post discharge follow-up visits;
 - A.1.3.4 Ensuring the quality, availability, and expertise of medical services rendered in the Clinics and at Clinic-related activities;
 - A.1.3.5 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.1.3.6 Coordination of medical activities of the Clinics as a whole to be accomplished through continuous communication with appropriate SBHCD administrative personnel regarding medical administration of the Clinics;
 - A.1.3.7 Assisting with the development of a plan for quality assurance for the Clinics;
 - A.1.3.8 Provide required chart review and audits of care provided by Mid-Level Practitioners
 - A.1.3.9 Other services as are mutually agreed to be appropriate and appropriately provided in an outpatient setting by a physician specializing in Orthopedic Surgery.
- A.2 **Schedule.** Physician shall provide Physician Services to SBHCD patients on a full-time equivalent (1.0 FTE) basis which generally means a minimum of thirty-two (32) to thirty-six (36) scheduled patient care hours per week at least forty-seven (47) 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.** Orthopedic Surgery Call Panel on a 1:3 rotating schedule between other Physicians contracted to provide similar services.
- A.3.2 **Hospital Call Days Included in Base Compensation.** Compensation amounts include provision of a 1:3 rotation of Hospital Call coverage per contract year.
- A.3.3 **Excess Hospital Call Days.** If Physician provides Hospital Call coverage in excess of a 1:3 rotation per contract year ("Excess Hospital Call Days"), Physician shall be compensated at the rate of One Thousand Two Hundred Dollars (\$1,200.00) per day.
- A.3.4 **Billed Services Included in Productivity Compensation.** To the extent Physician performs services in the course of Hospital Call coverage which are billed, SBHCD will solely be responsible for billing and collecting.
- A.3.5 **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 within thirty (30) days after the end of each contract year.
- A.4 **Absences.** Physician is entitled to five (5) weeks of time off for vacation, Clinic observed holidays, illness, continuing education, etc. each contract year without reduction in Base Compensation. Physician must provide forty-five (45) days' notice for vacations and/or desired schedule changes that would leave a gap in any coverage area. SBHCD will honor those requests should acceptable coverage be secured. Physician is responsible for negotiating/scheduling coverage changes.
- A.5 **Compensation.**
- A.5.1 **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.5.2 **Base Compensation.**
- A. In contract year one (1) of the Agreement ("Year One"), Physician's Base Compensation, which includes professional services, supervision, and Hospital Call activities ("Base Compensation"), shall be paid on a pro rata monthly basis on SBHCD's standard payment cycle for similar agreements and shall be in the amount of Five Hundred Forty Dollars and No Cents (\$540,000.00) per contract year.
- B. In contract year two (2) and contract year three (3) of the Agreement ("Year Two" and "Year Three"), Physician's Base Compensation, which includes professional services, supervision, and Hospital Call activities ("Base Compensation") will be productivity-based and mutually agreed upon by subsequent amendment no later than sixty (60) days prior to the end of the first contract year.
- A.5.3 **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.5.4 **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.6 **Continuing Medical Education**. For each contract year during the term of this Agreement, Physician shall be entitled reimbursement for continuing medical education (“CME”) expenses incurred during the contract year up to a maximum of five thousand dollars (\$5,000). Reimbursable expenses include registration fees, books, or other course materials, and specifically excludes travel, lodging or food expenses. Unused CME expense reimbursement funds do not roll over to the following year nor may they be cashed out or paid out upon termination of this Agreement. Payment for reimbursable CME expenses shall be made in accordance with applicable SBHCD policies following receipt of appropriate documentation. Physician shall be responsible for maintaining Physician’s CME documentation.
- A.7 **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 Clinics 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.8 **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.8.1 Attendance at regular monthly meetings with SBHCD Clinic and Hospital leadership when requested to review any operational or quality issues.
 - A.8.2 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.8.3 Completion of all office visit notes within seven (7) days of visit.
 - A.8.4 Timely signing of orders.
Goal: As specified by Medical staff rules and regulations or hospital policy.
 - A.8.5 Timely discharges summaries.
Goal: As specified by Medical staff rules and regulations or hospital policy.
 - A.8.6 Commitment to use of SBHCD supported electronic health/medical record platforms.
 - A.8.7 Compliance with all governmental and SBHCD quality reporting initiatives that may come into effect from time to time.
 - A.8.8 Timely arrival at Hospital for scheduled procedures and Clinics for scheduled patient visits.

**SAN BENITO HEALTH CARE DISTRICT
PHYSICIAN RECRUITMENT AGREEMENT**

Thomas X. Nguyen, M.D.

This Physician Recruitment Agreement (“Agreement”) is made effective on **June 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 **Thomas X. Nguyen, M.D.** (“Physician”), a physician specializing in **General Surgery** (“Specialty”). SBHCD and Physician are collectively referred to as the “Parties” and individually as a “Party.”

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”). SBHCD owns and operates rural health clinics as defined in Title 22, California Code of Regulations section 51115.5 to provide services to patients in the Hospital Service Area (“Clinics”). Clinics operate under the name “Hazel Hawkins Community Health Clinics.”
- B. SBHCD has determined that there is a need for a physician specializing in Physician’s Specialty in the Service Area, which jeopardizes SBHCD’s ability to provide such health care services in the Service Area. SBHCD also has determined that such shortage is not likely to resolve itself through market forces, but that financial support will have to be offered for an appropriate physician to relocate to the Service Area. SBHCD also has determined that SBHCD alone is in a position to offer such financial support.
- C. To facilitate its goal of providing Specialty services in the Service Area, SBHCD must provide certain incentives in order to enable a physician qualified in Physician’s Specialty to provide services in the Service Area. SBHCD finds that the incentives in this Agreement meet a community need and promote SBHCD’s mission and goal of providing health care services to all residents in the Service Area who need such care.
- D. Physician is duly licensed to practice medicine in the State of California and is qualified to provide Specialty services in SBHCD facilities (“Services”).
- E. SBHCD has determined that the financial support required by Physician to relocate is justified by the benefit to the Community. Accordingly, SBHCD is prepared to offer financial support to Physician under the terms and conditions set forth in this Agreement. Physician hereby acknowledges and agrees that the financial assistance provided by SBHCD under this Agreement is reasonable and not in excess of fair market value, and not determined in a manner that takes into account the volume or value of any actual or anticipated referrals by Physician to SBHCD or Hospital.
- F. In addition to this Agreement, Physician and SBHCD have entered into a Professional Services Agreement (“Related Agreement”), attached to this Agreement as Exhibit A. The Recitals in this Related Agreement are incorporated in this Agreement by reference. Physician and SBHCD shall also enter into an unsecured Promissory Note, attached as Exhibit B to this Agreement, for any payments made under this Agreement.
- G. SBHCD and Physician wish to enter into this Agreement in order to set forth a full statement of the terms of this recruiting arrangement, which all Parties acknowledge is necessary in order to allow Physician to relocate to the Service Area and to provide care to its residents.

The Parties mutually intend to comply with all applicable law, including the principle that the financial support will inure solely to the benefit of Physician, and agree as follows.

Article 1 Duties of Physician

- 1.1 Start Date. Commencing on or about **June 15, 2022** (“Start Date”), Physician shall provide Services to SBHCD patients on a full-time-equivalent (1.0 FTE) basis. Physician shall exert Physician’s best efforts to treat an optimum number of patients who require Services without compromising Physician’s ability to provide quality medical care and services to patients.

- 1.2 Compliance with Agreements. It is Physician's responsibility to come into full compliance with the provisions of this Agreement, Physician's Professional Services Agreement, and Hospital's Medical Staff Bylaws, Rules and Regulations, including all credentialing and privileging requirements, in order to be able to provide Services beginning on the Start Date.

Article 2 Standards

- 2.1 Licensure and Board Certification. At all times during the term of this Agreement and any Related Agreement, Physician shall maintain Physician's Medical license in the State of California in good standing and be Board Certified or remain Board Eligible in Physician's Specialty.
- 2.2 Credentialing. Physician shall cooperate with SBHCD to complete all credentialing and re-credentialing requirements of the Hospital Medical Staff, as applicable, for professionals providing services to SBHCD patients and shall submit applications and supporting documentation timely and completely in order to comply with the requirements of the credentialing program.
- 2.3 Medical Staff Membership and Hospital Privileges. Physician shall be responsible for obtaining on or before Physician's Start Date and maintaining during the term of this Agreement and any Related Agreements active membership on Hospital's Medical Staff with appropriate Hospital privileges to provide Services pursuant to this Agreement and any Related Agreements and shall be subject to all of the duties and responsibilities of that Medical Staff membership. Throughout the term of this Agreement, and thereafter, Physician shall be permitted to maintain medical staff privileges at other area hospitals.
- 2.3.1 Immediate Termination. Subject to Section 4.4 of this Agreement, in the event that Physician (i) does not obtain active status on Hospital's Medical Staff or the appropriate privileges to provide Services under this Agreement on or before Physician's Start Date, or (ii) loses active Medical Staff membership or privileges at any time during the term of this Agreement or any Related Agreements, this Agreement shall terminate immediately, and any sums owed by Physician to SBHCD under this Agreement and any Related Agreements shall become due and payable in full immediately.
- 2.3.2 Compliance with Rules. Physician shall at all times during the term of this Agreement and any Related Agreements comply with all applicable Bylaws, Policies, and Procedures of SBHCD and the Bylaws, Rules and regulations, and policies of Hospital's Medical Staff.
- 2.4 Corporate Compliance Program. Physician shall cooperate with Hospital's Corporate Compliance Program, as applicable to Services provide pursuant to this Agreement. Physician shall comply with any policies and procedures adopted by Hospital as part of the Corporate Compliance Program.

Article 3 Term & Termination

- 3.1 Term. The term of this Agreement shall commence on the Effective Date of this Agreement and continue until the later of **two (2) years from the Start Date** as defined in this Agreement, or until all sums paid to Physician under this Agreement are repaid to or forgiven by SBHCD under the terms of this Agreement and any Related Agreements.
- 3.2 Immediate Termination by SBHCD. SBHCD may terminate this Agreement immediately upon the occurrence of any of the following events:
- 3.2.1 Loss or suspension of Physician's license to practice medicine, Physician's conviction (final or on appeal) of a felony or any crime involving moral turpitude, Physician's failure to obtain or maintain, for any reason, status as a member of the Active Medical Staff of Hospital with appropriate privileges to provide Services under this Agreement or Related Agreements; or
- 3.2.2 Physician's appointment of a receiver for Physician's assets, assignment for the benefit of creditors, or any relief sought by Physician under any bankruptcy or insolvency act.

In the event SBHCD terminates this Agreement pursuant to this Section 3.2, Physician shall pay any outstanding debt to SBHCD under the terms of this Agreement and any Related Agreements.

- 3.3 Termination Due to Total Disability. Either Party may terminate this Agreement in the event of total disability of Physician. Physician shall be deemed to suffer a "total disability" if Physician becomes physically or mentally incapacitated for more than three (3) months as shown by inability to perform all or substantially all of the material obligations of this Agreement, and which disability is likely, in the opinion of a physician mutually designated by Physician and SBHCD, to persist for six (6) months following the date of determination of said physician. The cost of a total disability examination, if requested by SBHCD, shall be paid by SBHCD. The determining physician shall provide written notice of findings to SBHCD and Physician. The date of total disability for purposes of this Agreement shall be the date written notice is received by SBHCD from the determining physician. Provided, however, that this section is not intended to suggest or indicate that Physician shall receive payments from SBHCD during a period of disability.
- 3.4 Termination for Legal Reason. If SBHCD determines that any provision of this Agreement, act or omission on the part of Physician jeopardizes the licensure of Hospital, its participation in, payment or reimbursement from, or contractual relationship with, the Medicare, state sponsored Medicaid program, or other public or private reimbursement or payment programs, or its full accreditation by The Joint Commission or any other state or nationally recognized accreditation organization, or the tax-exempt status of SBHCD, any of its property or financing, or will prevent or prohibit any physician, or any other health care professionals or their patients from referring to Hospital or utilizing Hospital or any of its services, or if for any other reason said act or omission should be in violation of any statute, ordinance, or be otherwise deemed illegal, or be deemed unethical by any recognized body, agency, or association in the medical or hospital fields, SBHCD may at its option (i) unilaterally amend this Agreement to resolve the matter, or (ii) terminate this Agreement immediately. Physician will have the opportunity to review the legal opinion provided by legal counsel upon which SBHCD's determination to amend the Agreement is based. Physician shall have the period of fifteen (15) days following notice of the amendment in which to have Physician's legal counsel review SBHCD's proposed amendment prior to SBHCD implementing the amendment. If Physician is not satisfied with the manner in which SBHCD amends the Agreement, Physician may terminate the Agreement immediately on written notice. If either Party terminates this Agreement under this Section 3.4, Physician shall pay any outstanding debt to SBHCD under the terms of this Agreement and any Related Agreements.
- 3.5 Effect of Termination. Following expiration or termination of this Agreement, the Parties shall cooperate in the resulting transition in a manner that serves the best interests of the patients of SBHCD. Termination of this Agreement shall have no effect on Physician's Medical Staff membership or clinical privileges at Hospital, which will continue unless terminated in accordance with Hospital's Medical Staff Bylaws. Termination of this Agreement shall not affect the obligation of Physician to repay money as provided in this Agreement or any Related Agreements.

Article 4 Recruitment Incentive and Relocation Payment

- 4.1 Recruitment Incentive. As part of the consideration for Physician entering into and complying with the terms and conditions of this Agreement and the Related Agreement (Professional Services Agreement), Physician shall be entitled to a recruitment incentive in the amount of **Twenty Thousand Dollars (\$20,000.00)** ("Recruitment Incentive").
- 4.1.1 Payment of Recruitment Incentive. Upon execution of this Recruitment Agreement, Physician shall be entitled to payment of the Recruitment Incentive. Upon receipt of the Recruitment Incentive, Physician shall execute the Promissory Note attached as Exhibit B to this Agreement.
- 4.1.2 Fair Market Value/Commercially Reasonable. Physician agrees that (i) the Recruitment Incentive is reasonable and necessary to secure Physician's relocation and Physician's services under this Agreement and the Related Agreement, (ii) this amount is not in excess of fair market value, and (iii) this amount is not made in consideration for the referral of patients to SBHCD or its affiliates.
- 4.2 Relocation Expenses. Upon Physician's relocation to the SBHCD Service Area and submission to SBHCD of appropriate receipts, SBHCD shall reimburse to Physician up to the amount of **Five Thousand Dollars (\$5,000.00)** for customary and reasonable moving expenses and other related costs incurred by Physician in relocating to the SBHCD Service Area ("Relocation Payment"). Physician shall submit to SBHCD receipts and/or other documentation supporting the reimbursement of costs incurred by Physician and paid by SBHCD to Physician as the Relocation Payment.

- 4.3 Repayment. If either Party terminates this Agreement prior to the expiration of two (2) years from Physician's **Start Date**, Physician shall be obligated to repay to SBHCD a pro-rated amount of the Recruitment Incentive paid by SBHCD to Physician pursuant to Section 4.1 of this Agreement, plus interest at an annual rate equal to the most recent prime rate published in the Wall Street Journal (or any successor publication) from time to time ("Prime Rate"), plus one percent (1.0%), payable monthly.

For example, if this Agreement is terminated after ten (10) months, Physician shall repay to SBHCD 14/24ths of the recruitment incentive, plus ten (10) months of accrued interest at an annual rate equal to the Prime Rate, plus one percent (1.0%), payable monthly. Such repayment shall be made within ninety (90) days of the event triggering Physician's repayment obligation. If Physician fails to make such repayment to SBHCD within this ninety (90) day period, SBHCD shall have the right to increase the interest rate on the amount owed to SBHCD to the Prime Rate plus two percent (2%), beginning on the ninety-first day.

- 4.4 Promissory Note. At the time of payment to Physician of any amount under this Agreement as set forth in Section 4.1, Physician shall execute a Promissory Note substantially in the form attached to this Agreement as Exhibits B to secure repayment of any amounts paid to Physician under this Agreement which are not forgiven by SBHCD pursuant to the terms of this Agreement.
- 4.5 Debt Forgiveness at Death/Disability. SBHCD shall forgive all sums advanced by SBHCD to Physician pursuant to Section 4.1 of this Agreement and any accrued interest, in the event of Physician's death or permanent disability during the Term of this Agreement.

Article 5 General Provisions

- 5.1 Other Agreements. This Agreement may be one of several between SBHCD and Physician, dealing with different aspects of their relationship. SBHCD maintains a current master list of all such agreements, together with copies of the actual agreements, that is available for review by the Secretary of the Department of Health and Human Services in accordance with the requirements of Stark Law.
- 5.2 Referrals. Physician shall be entitled to refer patients to any hospital or other institution Physician deems qualified to deliver health care services to a particular patient. Nothing in this Agreement shall be deemed to require Physician to refer patients to Hospital, and SBHCD may not terminate this Agreement because of Physician's referral decisions. No payment or other consideration is or will be made under this Agreement for the referral of patients to SBHCD or its affiliates.
- 5.3 Waiver. The failure of either party to insist in any one or more instances upon strict performance of any of the terms of this Agreement shall not be construed as a waiver or relinquishment for the future of such terms, but the same shall continue and remain in full force and effect.
- 5.4 Governing Law/Venue. This Agreement shall be interpreted in accordance with the laws of the State of California, and any questions arising under it shall be construed or determined in accordance with such laws. Venue shall be in San Benito County, California.
- 5.5 Partial Invalidity. Should any part of this Agreement be declared invalid, such decision shall not affect the validity of the remaining portions, or of any note delivered to SBHCD under this Agreement which shall remain in effect as if this Agreement had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the Parties that they would have executed the remaining portions of this Agreement without including such, part which may, for any reason, be subsequently declared invalid.
- 5.6 Attorneys' Fees. In the event that suit is brought regarding the enforcement of the provisions of this Agreement, the prevailing Party shall be awarded its costs of suit and reasonable attorneys' fees as part of any judgment rendered.
- 5.7 Government Audit. Until the expiration of five (5) years after the furnishing of any services subject to this Agreement, Physician shall make available to the Secretary of the United States Department of Health and Human Services or to the United States Comptroller General, or to any of their duly authorized representatives, upon written request of the same, this Agreement and such books, documents, and records of Physician as are necessary to certify the nature and the reasonable cost of services of the Hospital.

If Physician enters into an agreement with any related organization to provide services pursuant to this agreement with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12)-month period, such agreement shall contain a clause to the effect that until the expiration of five (5) years after the furnishing of services pursuant to such agreement, the related organization shall make available, upon written request, to the Secretary or to the Comptroller General, or to any of their duly authorized representatives, the agreement and any books, documents, and records of such organization that are necessary to verify the nature and extent of such costs. "Related organization" shall mean a person or entity with which Physician is, to a significant extent, associated or affiliated or which Physician owns or directly or indirectly controls. This Section shall be of no force and effect if it is not required by law.

- 5.8 Notices. All communications, notices, and demands of any kind which any Party may be required or desire to give or serve upon any other Party under this Agreement shall be made in writing and shall be delivered in person or sent by registered or certified mail, return receipt requested, to the following addresses:

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

Copy to: Noland, Hamerly, Etienne & Hoss, PC
Attn: Daniel Little, Esq.
333 Salinas Street
Salinas, CA 93902

Physician: Thomas X. Nguyen, M.D.
230 Lighthouse Avenue #210
Monterey, CA 93940

Either Party may change its address by giving any other Party written notice of its new address as provided in this Agreement.

- 5.9 Applicable Legal Standards. The Parties shall exercise their rights and perform their duties under this Agreement in accordance with the legal standards set forth in the United States Code, Code of Federal Regulations, California Health and Safety Code, California Business and Professions Code, and any other pertinent and applicable laws, rules, regulations, and orders of the United States and the State of California and their agencies, to the extent that such laws, rules, regulations, and orders pertain to the powers, functions, and duties of SBHCD and Physician. This Agreement shall be deemed to include and require compliance with all applicable laws, notwithstanding any language to the contrary. Insofar as they affect rights and duties of the Parties under this Agreement, all laws, regulations, and orders, and any amendments thereto, shall automatically by force of this Section be deemed a term and condition of this Agreement.
- 5.10 Confidentiality. The Parties agree that this Agreement is personal and confidential between them, and agree not to release information concerning this Agreement, or any information exchanged between the Parties pursuant to this Agreement, to any person without the consent of the other Party, which consent shall not be unreasonably denied. This prohibition against release of information shall not apply to any information required to be released by contracts existing as of the date of this Agreement, or to fiscal intermediaries, public agencies or commissions with government powers and duties related to disclosure of information who have exercised the right to compel disclosure of such information, or to any information required to be released by law. Any disclosures to third parties, such as legal, tax and financial advisors shall indicate that the information is confidential and shall be so treated by the third Party.
- 5.11 Income Tax Ramifications. The Parties acknowledge that Physician may incur federal and state income tax obligations from certain of the transactions provided for in this Agreement that SBHCD is required to report items of income under relevant income tax laws and regulations, and that forgiveness of debt may constitute income to Physician. It is, however, Physician's responsibility to consult with tax advisors with respect to the filing of income tax returns and the tax treatment of items provided for in this Agreement, and to comply with the tax laws in all respects.

- 5.12 Assignment. Except as otherwise agreed in writing by SBHCD, nothing contained in this Agreement shall be construed to permit assignment or delegation by Physician of any rights or obligations under this Agreement, and any such assignment or delegation is expressly prohibited. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of SBHCD.
- 5.13 Not An Excluded Provider. Physician represents to SBHCD that Physician has not been excluded from participation in federal or state healthcare programs. If Physician is excluded from participation in federal or state healthcare programs, SBHCD may terminate this Agreement immediately upon written notice to Physician and all terms of repayment in Section 4.2 of this Agreement shall apply.
- 5.14 Entire Agreement/Modifications. This Agreement and the Related Agreements constitute the entire Agreement between the Parties with respect to the subject matter of Physician's recruitment by SBHCD and supersedes all prior negotiations, understandings and agreements. All modifications or amendments to this Agreement must be in writing and signed by the Parties.

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

SBHCD
San Benito Health Care District

PHYSICIAN
Thomas X. Nguyen, M.D.

By: _____
Steven M. Hannah, Chief Executive Officer

Thomas X. Nguyen, M.D.

Date: _____

Date: _____

EXHIBIT A
PROFESSIONAL SERVICE AGREEMENT

EXHIBIT B

PROMISSORY NOTE

0,000.00

June 1, 2022

FOR VALUE RECEIVED, the receipt of which is hereby acknowledged, **Thomas X. Nguyen, M.D.** ("Maker") hereby promises to pay to the order of **San Benito Healthcare District** ("Holder"), at the place designated by Holder, the principal sum of **Twenty Thousand Dollars (\$20,000.00)**, plus accrued interest on such amount calculated at an annual fixed rate equal to the prime rate published on the effective date of this Promissory Note in the Wall Street Journal ("Prime Rate"), plus one percent (1%), from the date of this Promissory, payable in lawful money of the United States of America. Principal and interest shall be immediately due and payable to Holder on **June 1, 2024**. Notwithstanding the foregoing, if Maker is and remains in full compliance with the **Physician Recruitment Agreement** ("Recruitment Agreement") and the **Professional Services Agreement** by and between Maker and Holder effective July 1, 2022, respectively, the principal and interest under this Promissory Note shall be forgiven pursuant to the terms and conditions of the Recruitment Agreement.

This Promissory Note is unsecured. In no event shall any payment of interest or any other sum payable hereunder exceed the maximum amount permitted by applicable law. If it is established that any payment exceeding lawful limits has been received, Holder will refund such excess or, at its option, credit the excess amount to the principal due hereunder, but such payments shall not affect the obligation to make periodic payments required herein.

Maker agrees to pay, to the extent permitted by law, all costs and expenses incurred by Holder in connection with the collection and enforcement of this Promissory Note, including but not limited to, expenses and reasonable attorney's fees to the extent permitted by applicable law, irrespective of whether any suit or security foreclosure or court proceeding has been commenced. Maker and all endorsers and all persons liable or to become liable on this Promissory Note, and each of them, hereby waive diligence, demands, presentation for payment, notice of nonpayment, protest and notice of protest, and specifically consent to and waive notice of any renewals or extensions of this Promissory Note, or any modifications or release of security for this Promissory Note, whether made to or in favor of Maker or any other person or persons, and further agrees that any such action by Holder shall not affect the liability of Maker or any person liable or to become liable on this Promissory Note.

No delay or omission by Holder in exercising any remedy, right or option under this Promissory Note shall operate as a waiver of such remedy, right or option. In any event, a waiver on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion. The invalidity of any one or more covenants, clauses, sentences or paragraphs of this Promissory Note shall not affect the remaining portions hereof, and this Promissory Note shall be construed as if such invalid covenants, clauses, sentences or paragraphs, if any, had not been included.

This Promissory Note is to be construed in all respects and enforced according to the laws of the State of California. This Promissory Note may not be amended or modified except by a written agreement duly executed by Maker and Holder. This Promissory Note and the obligations created hereby shall bind Maker and, to the extent applicable, Maker's respective successors and assigns, and the benefits hereof shall inure to Holder and its successors and assigns. This Promissory Note may be assigned by Holder in its sole discretion.

Any notice to Maker under this Promissory Note shall be in writing and shall be deemed to have been given upon (i) receipt, if hand delivered, (ii) transmission, if delivered by facsimile transmission, (iii) the next business day, if delivered by express overnight delivery service, or (iv) the third business day following the day of deposit of such notice in U.S. certified mail, return receipt requested to the following address:

Thomas X. Nguyen, M.D.
230 Lighthouse Avenue #210
Monterey, CA 93940

Maker has executed and delivered this Promissory Note effective as the date first set forth above.

MAKER: _____
Thomas X. Nguyen, M.D.

Date: _____

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Contract Review Worksheet – Central California Anesthesiology Solutions

Agreement Type: New Amendment _____ Addendum _____

- Medical Director Professional Services ___ ED On-Call
 ___ Recruitment ___ Hospital Coverage ___ Leadership/Committee
 ___ Other (specify):

Contracting Entity Name: Central California Anesthesiology Solutions

Executive Summary: Central California Anesthesiology Solutions (CCAS) is a Central California-based, general partnership of Board-certified CRNA and Physician Anesthesiologists.

Services Provided: Full scope anesthesiology management services and call coverage will be provided for the hospital's Surgery Center, main operating rooms and Women's Center on an initial schedule of 3 operating rooms Monday - Thursday from 7am – 330pm, 2 rooms on Friday's 7am – 330pm, and OB coverage Monday – Friday 3-11pm. A full-time Medical Director Anesthesiologist will be onsite 40 hours per week. After an initial 90-day assessment period, coverage and stipend may be adjusted as mutually agreed upon.

Department	Cost Center	Person Responsible for Oversight
Anesthesiology	01.7450	1: CEO 2: Dir, Provider Svcs & Clinic Operations

Agreement Terms:

Proposed Effective Date: 7/1/2022 Contract Term: 36 months Expiration Date 6/30/25 Auto-renew: Yes
 Termination Clause: 90-days after the first six (6) months

Financial Terms:

Select One: ___ Funds to be Paid to Hospital Funds to be Paid by Hospital

Contract Rate: An annual coverage fee of \$2,017,120. The annual subsidy factors in an estimated professional fee collections guarantee of \$450,000/annually, of which 90% of any surplus will be returned to the District.

Contract Term	FMV %ile	Base Monthly Cost	Expected Annual Base Cost	Expected Total Base Term Cost
3 years	<75th	\$168,100	\$2,017,120	\$6,051,360

Other Compensation Agreements with Contracting Entity (List All)

Specify:

Required Assessment/Attachments (required prior to approval):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Drafted or template | <input type="checkbox"/> Other Associated Contracts |
| <input checked="" type="checkbox"/> Contract FMV | <input type="checkbox"/> Supplemental doc if FMV >75 th %ile |
| <input checked="" type="checkbox"/> Overall FMV | <input checked="" type="checkbox"/> Commercial Reasonableness Documented |
| <input type="checkbox"/> Certificate of Liability Insurance | <input type="checkbox"/> Business Associate Agreement |
| <input type="checkbox"/> Supplemental checklist (if w/in 1 yr of orig & \$ change) | |

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Contract Review Worksheet – Central California Anesthesiology Solutions

Required Assessment/Attachments (required prior to approval):

	Name/Activity	Date/Note
Requested by/Responsible:	Steven Hannah, CEO	4/20/22

Review following signatures/approval:

Legal Counsel:		5/9/22
Finance Committee:		5/19/22
Board of Directors (if required: insert N/A or Board approval date at right):		5/26/22

Review following signatures:

Signatures:		
MD:	CEO:	
Board of Directors (if required: insert N/A or Board approval date at right)		5/26/22
Added to physician contract tracking document		
Contract Administrator – final review:		

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PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT (the "Agreement") is made and effective as of the ____ day of _____ 2022 (the "Effective Date") and shall have a commencement date of _____, _____, 2022 at 7:00 am (the "Commencement Date"), by and between SAN BENITO HEALTH CARE DISTRICT, A, a local health care district organized and operated pursuant to Division 23 of the California Health and Safety Code California nonprofit corporation (the "Facility") and CENTRAL CALIFORNIA ANESTHESIOLOGY SOLUTIONS, a California general partnership ("Contractor"), collectively referred to herein as the "Parties."

RECITALS

WHEREAS, Facility is the owner and operator of a licensed general acute care hospital located at 911 Sunset Dr, Hollister, CA 95023, at which anesthesia services under this agreement are to be performed (the "Location");

WHEREAS, Contractor is a professional group, namely, a partnership of professional nursing corporations, consisting of partners, employees, and contractors each of whom is a certified registered nurse anesthetist ("CRNA") or a physician duly licensed and qualified to practice medicine and provide anesthesia services in the State of California ("Physician Anesthesiologists") (together, the CRNAs and Physician Anesthesiologists are referred to herein as the "Anesthesia Providers");

WHEREAS, the Facility desires to have Contractor provide, and Contractor is willing to provide and deliver anesthesia services to the Facility as provided in this Agreement;

WHEREAS, the Parties wish to enter into this Agreement in order to provide a statement of their respective responsibilities in connection with the provision of anesthesia services with respect to patients receiving certain health care treatment at the Facility during the term described in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Services & Coverage.

- a. During the term of this Agreement, Contractor shall provide such anesthesia and related services as may be reasonably required by the Facility ("Anesthesia Services") as set forth in Schedule 1.
- b. Contractor shall provide coverage at the Location as set forth in Schedule 1.
- c. Contractor shall not differentiate or discriminate in performing the Anesthesia Services on the basis of race, color, national origin, ancestry, sex, marital status, age, or payor, or on any other basis prohibited by applicable law.

2. Compensation and Billing.

- a. Facility will pay Contractor for the Anesthesia Services provided under this Agreement as set forth on Schedule 2. The parties acknowledge and agree: (a) they have bargained at arms' length to determine Contractor's compensation under this Agreement; (b) the compensation is fair market value for the Anesthesia Services to be performed by Contractor under this Agreement; and (c) the compensation is consistent with fair market value for similar services in Facility's community.
- b. Contractor shall have the sole and exclusive right to bill and collect all amounts for professional Anesthesia Services fees from patients or their third party payers for services rendered by Contractor. Contractor shall be responsible for the billing and collection for Anesthesia Services it provides and shall bear the cost of such billing and collection. Contractor shall, at all times, bill and collect for its Anesthesia Services in compliance with the "No Surprises Act" (Section 2799A-1 of the Social Security Act, 42 U.S.C.A. § 300gg-111). The Facility shall have no obligation to process Contractor's or Contractor's Anesthesia Provider(s) charges except for the provision of necessary available information as set forth below.
- c. Except as provided herein, the Facility shall be responsible for, and solely entitled to, billing and collection of all charges for institutional and other non-professional services rendered to patients in the Facility. The Facility will clearly disclose on its admitting paperwork and patient bills that its charges are for facility and non-professional fees and not for professional fees that patients can expect to be billed for separately.
- d. Contractor understands and agrees that the Facility will not withhold on behalf of Contractor or any of Contractor's Anesthesia Providers any sum for federal income tax, unemployment insurance, social security, or any other withholding applicable to employees, and the Facility will not provide Contractor or any Anesthesia Provider any of the benefits provided to the Facility's employees.
- e. Contractor acknowledges that the Facility will file with the Internal Revenue Service the federal tax reporting Form 1099 reflecting the amounts paid to Contractor under this Agreement (if applicable) during each calendar year. Contractor will be responsible for any income tax owing on such amounts.
- f. Contractor and the Facility shall share information with each other as reasonably necessary to facilitate each party's billings and collections with respect to services provided by the Anesthesia Provider(s) at the Facility. The Facility shall, in the normal course of the Facility's administration of patient accounts, assist Contractor in obtaining patient signatures on assignment of insurance benefits and other reasonably appropriate forms provided to the Facility by Contractor. The Facility agrees to provide all information related to services rendered at the Facility necessary to enable Contractor to submit bills for professional services provided at the Facility including but not limited to patient demographic, insurance and coding information.

3. **Physician Medical Director.** As further set forth in Schedule 3 and subject to the terms therein, Contractor shall provide its own physician medical director who will be a licensed anesthesiologist, and who shall be a member of the Medical Staff of Facility (the "Medical Director")..
4. **Payor Participation.**
 - a. Contractor shall participate and accept assignment in Medicare, Medicaid, and any other state or federal health care programs applicable to patients who are treated at Facility, shall treat patients receiving medical benefits or assistance under any such health care program and shall be available to treat indigent patients. Contractor further agrees to provide services to patients regardless of their ability to pay, and without discrimination as to the payor source, including but not limited to Medicare and Medicaid beneficiaries.
5. **Records.** Contractor shall cause its Anesthesia Provider(s) to prepare medical records at the Facility, which adequately reflects the quality of care rendered and the instructions given each patient. Contractor shall maintain the confidentiality of such records as required by law. All charts and medical records of patients shall belong to the Facility, as part of the Facility's records; the Facility shall facilitate access to these records (and will provide copies of necessary portions of these records) to Contractor for professional and billing purposes. Facility shall provide Contractor with full access to such patient records in the event of a malpractice or disciplinary action against Contractor or Anesthesia Provider. The obligation of Facility to provide access to such patient records in the event of such an action shall survive the termination of the Agreement.
6. **Medical Staff Meetings.** On a regular basis and upon invitation by the Facility, a representative of Contractor (to be selected by Contractor) shall attend all Facility Medical Staff meetings.
7. **Professional Standards.** Contractor will cause its Anesthesia Provider(s) to maintain the standards of professional practice as set forth in the Facility's medical staff ("Medical Staff") bylaws, rules and regulations, and the commonly accepted practices of Anesthesia Providers generally and in accordance with the ethical and professional standards of the American Association of Nurse Anesthetists.
8. **Professional Qualifications and Fitness.** Contractor's Anesthesia Provider(s) shall have all necessary permits, authorizations and licenses required by all applicable regulatory authorities to perform anesthesia and related services in California. Contractor (1) represents and warrants to the Facility as of the Effective Date, and (2) covenants to Facility for the duration of the term of this Agreement, that:
 - a. Each Anesthesia Provider is duly licensed to practice medicine in the State of California without restriction;

- b. Each Anesthesia Provider is, or will by the Commencement Date be an active member in good standing of the Facility Medical Staff with privileges to perform Anesthesia Services under this Agreement;
- c. Each Anesthesia Provider is a participating physician or health care provider under the Medicare and Medi-Cal programs and is not currently or previously excluded from participation in any federally funded health care program, including Medicare or Medi-Cal;
- d. Each Physician Anesthesiologists possess a current unrestricted federal permit to prescribe medications; and
- e. No Anesthesia Provider has ever had his/her license to practice medicine or other certification or permit issued to him/her by any state medical board or any other state or federal agency or regulatory body revoked, lost, or suspended.
- f. No final adverse action, as such term is defined under 42 U.S.C. Section 1320a-7e(g), has occurred or is pending or threatened against Contractor or to Contractor's knowledge against any employee, contractor or agent engaged to provide items or services under this Agreement (collectively "Exclusions/ Adverse Actions"). During the term of the Agreement, Contractor shall notify the Facility of any Exclusions/ Adverse Actions or any basis therefor within fifteen (15) days of its learning of any such Exclusions/ Adverse Actions or any basis therefor.

9. Clinical Privileges and Scheduling.

- a. Anesthesia Provider(s) Staff Privileges. Contractor's Anesthesia Provider(s) who are granted Staff Privileges and/or are appointed to the Facility's Medical Staff shall have all rights, privileges and responsibilities of the Facility's Medical Staff membership normally granted by the Facility for Anesthesia Provider(s). Membership on the Facility Medical Staff will be contingent upon Contractor's Anesthesia Provider(s) compliance with the Facility's Medical Staff Bylaws, Rules and Regulations. Before any Anesthesia Provider(s) may practice in the Facility, he/she must first be granted medical staff privileges by the Facility in accordance with its Medical Staff's established bylaws, rules and regulations for granting and removal of staff status as pertains to Anesthesia Provider(s). Exercise of Medical Staff privileges applicable to the Anesthesia Services will be contingent upon the Anesthesia Provider's continued employment or contractual relationship with Contractor and the continued effectiveness of this Agreement. The ability of any Anesthesia Provider to exercise his clinical privileges at the Facility shall automatically lapse upon either of the following events: (i) the cessation of his/her employment or contractual relationship with Contractor; or (ii) termination of this Agreement.
- b. Removal of an Anesthesia Provider from the Schedule. The Facility shall be entitled to require Contractor to remove a particular Anesthesia Provider from the department schedule and refuse him/her permission to exercise

his/her Medical Staff privileges upon the occurrence of any of the following events:

- i. The Facility believes such action is necessary or advisable in the interest of patient care or because of Anesthesia Provider conduct;
- ii. The Anesthesia Provider's employment or contractual relationship with Contractor terminates;
- iii. The commission by any Anesthesia Provider then providing services hereunder of any crime punishable as a felony or any conduct which, the Facility believes may be damaging to the Facility or is not in the best interests of its patients;
- iv. The failure of Contractor or any of its Anesthesia Providers to comply with the requirements pertaining to insurance coverage under this Agreement; or
- v. The Anesthesia Provider fails to maintain any of the qualifications stated in this Agreement (including but not limited to those set forth in Section 8).

In such event, upon the Facility's request, Contractor will promptly remove the Anesthesia Provider from the department schedule. It is understood that Contractor's removal from the department schedule as provided herein is not an adverse action under the Medical Staff bylaws. Following removal from the schedule, Contractor agrees to promptly review and address the Facility's specific concerns.

- c. Anesthesia Provider(s) Qualifications. Contractor shall assign only qualified Anesthesia Provider(s) to the Facility. All of Contractor's Anesthesia Provider(s) shall have and maintain licenses to practice in the state where the Facility is located and remain a member in good standing of the Facility's active Medical Staff. If the Facility's Medical Staff or Contractor becomes aware of any questions of professional qualifications or performance of any of Contractor's Anesthesia Provider(s), the same shall be communicated promptly to the other Party.
- d. Temporary Privileges. Temporary privileges will be approved or disapproved in accordance with the Medical Staff Bylaws.
- e. Termination of Service. If Contractor terminates any Anesthesia Provider(s) for any reason whatsoever, such Anesthesia Provider shall be deemed to have voluntarily withdrawn from the Facility's Medical Staff and when recognized by the Facility's Medical Staff shall be final and all privileges of such Anesthesia Provider(s) fully withdrawn without further action or rights and not reportable to any data bank, State, or federal agency.
- f. Continuous Improvement Plan. Contractor agrees to cooperate with the Facility in connection with any of the Facility's continuous improvement and quality management plan upon the Facility's request.

g. Scheduling of Cases. The Facility shall be responsible for scheduling surgical cases with input from Contractor and will, at all times during the term of this Agreement, notify Contractor reasonably in advance of changes, additions and cancellations in the case schedule.

10. **Locum Tenens**. If necessary for Contractor to fulfill its obligations under this Agreement, Contractor may provide locum tenens CRNAs or Physician Anesthesiologists. Any such locum tenens shall be provided at Contractor's expense...

11. **Insurance**. Contractor shall carry or cause each Anesthesia Provider(s) to carry a policy or policies of professional liability insurance covering all professional activities of Contractor's Anesthesia Provider(s) in accordance with the following provisions:

a. Contractor shall cause each Anesthesia Provider under this agreement to maintain medical practice, professional liability and malpractice insurance coverage in the amounts: at least One Million Dollars (\$1,000,000) per occurrence or claim and Three Million Dollars (\$3,000,000) in the aggregate;

b. Facility shall be named as additionally insured on all policies required by Subsection a of this Section 11, such policies shall not be subject to cancellation, lapse, or change except upon at least thirty (30) days' prior written notice to Facility, and otherwise such policies shall be in a form acceptable to Facility.

c. Contractor shall provide written evidence of such insurance coverage to the Facility upon its reasonable request; and

d. Contractor shall immediately notify the Facility and the Administrator if such insurance coverage is reduced, modified or canceled or is threatened to be reduced, modified or canceled.

e. Facility shall provide insurance coverage to address any and all non-clinical work or services that are not covered by the Contractor's policy.

12. **Books and Records – Medicare Rules**. If applicable, during the term of this Agreement and for a period of four (4) years after this Agreement expires or is terminated, each party shall, pursuant to Title 42 of the United States Code and applicable rules and regulations promulgated hereunder, make available, upon appropriate written request by the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States General Accounting Office, or any of their duly authorized representatives, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the costs of the Anesthesia Services provided by Contractor under this Agreement. Disclosure pursuant to this section shall not be construed as a

waiver of any other legal right to which the disclosing party may be entitled under law or regulation. In the event either party is requested to disclose any books, records or documents for the purpose of an audit or investigation relating to this Agreement and the Services provided under this Agreement by Contractor or Contractor's Anesthesia Provider(s) such party shall immediately notify the other party of the nature and scope of the request and shall make available to the other party, upon receipt of a reasonable written request from such other party, copies of all documents encompassed by the request, provided the party making such request pays for the cost of making such copies. Further, if Contractor carried out any of its duties under the Agreement through a further subcontract having a value or cost of \$10,000 or more over a twelve-month period or other party, such further subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, or other party shall make available upon written request of the Secretary, or upon written request of the Comptroller General, or any of their duly authorized representatives, the subcontract and books, and records of such organization that are necessary to verify the nature and extent of such costs.

13. **Duties of the Facility.** The Facility will provide the following at its sole cost and expense:
- a. A suitable practice environment will be provided. The space so provided will be adequate for the Anesthesia Services provided which are administered or supervised by Contractor Anesthesia Provider(s). Facility agrees to expend its best efforts and work with Contractor to ensure that the space is adequate for Contractor to provide the coverage necessary to fulfill its obligations under this Agreement.
 - b. Facility shall, at its own expense, provide all expendable and non-expendable equipment, drugs, supplies, furniture and fixtures for the use of Contractor as are necessary for the safe, proper, and cost-efficient operation of the anesthesia department and in the quantity and quality to ensure that the anesthesia department is operated consistently within industry and community standards, all applicable licensing and accreditation standards, and any laws and regulations that apply to the operation of the Facility and which is reasonably necessary to enable Contractor to discharge its obligations under this Agreement. This equipment shall meet all electrical, engineering, and other safety standards required by law and/or relevant Facility policies. Facility shall, at its own expense, keep and maintain this equipment in good order and repair and replace this equipment or any part of it which becomes worn out or is mutually determined to be obsolete.
 - c. Utilities and services including but not limited to heat, water, electricity, telephone service, laundry and janitor service.
 - d. Facility shall provide the services of health care personnel, as may be needed for the effective operation of the Facility and Contractor's Anesthesia

Provider(s), including but not limited to licensed registered and vocational nurses, technologists, and other non-physician technicians and assistants.

14. **Overriding Purpose.** Notwithstanding anything contained herein to the contrary, no provision, rule or regulation contained in this Agreement shall operate to delay health care treatment when emergency attention is required. The Parties acknowledge the primary purpose of this Agreement is to make health care services available to the community.
15. **Quality Indicators.** Contractor shall cooperate with Facility to develop a quality assurance program adopted by the Facility relating to anesthesiology, to promote the consistency and quality of the services provided hereunder.
16. **Independent Contractor.**
 - a. Contractor and Facility Relationship. In the performance of the responsibilities assumed by Contractor and its Anesthesia Provider(s) under the Agreement, it is mutually understood and agreed that Contractor is an independent contractor of facility. Contractor and its Anesthesia Providers shall perform their professional work free of any direction or control by the Facility, but in a manner consistent with currently approved methods and practices in the profession and in compliance with the standards imposed by the Medical Staff bylaws of the Facility. In administrative matters, Contractor shall conform to the policies prescribed by the Facility Administration. In no event shall this Agreement be construed as establishing a partnership, joint venture or similar relationship between the Parties hereto, and nothing herein shall authorize either party to act as agent for the other, except to the extent herein provided. The parties acknowledge and agree that no relationship of principal and agent is created by this Agreement. Other than as provided for in this Agreement, Contractor has no authority to act on behalf of or bind the Facility or any of the Facility's affiliates.
 - b. Contractor and Anesthesia Provider Relationship. Each partner/owner of Contractor will be a Professional Nursing Corporation ("Nursing PC") that will be wholly owned by a CRNA or Physician Anesthesiologist who is also an Anesthesia Provider (the "PC Owner"). Contractor agrees that it will hire its Nursing PCs and Physician PCs as independent contractors through a customary corporate provider agreement. In turn, Contractor will require that each Nursing and Physician PC hires its respective PC Owner as a W-2 employee, and not an independent contractor. For any Anesthesia Provider that is not a PC Owner, such Anesthesia Providers will be hired directly by Contractor as W-2 employees of Contractor. By way of clarification, under the terms of this Section all Anesthesia Providers will be W-2 employees of either the Contractor, or of a Nursing PC. Contractor agrees that in its own partnership agreement and in its corporate provider agreements with the

Nursing or Physician PCs, that Contractor will require that the employing Nursing or Physician PC's and employing Contractor, as the case may be, to: i) pay its respective employee Anesthesia Providers as W-2 employees (as described and set-forth previously in this Section); ii) pay such employees as required under California law, taking into account all applicable wage orders; iii) comply with all meal, rest, break and overtime rules as may be applicable; and iv) withhold and pay payroll taxes as required under the law. Contractor and each Nursing PC and Physician PC shall, at all times ensure it and its affiliates are in compliance with all local, state or federal laws, regulations, and rules.

- c. Payment Practices Compliance. Upon Facility's request, but in no event more frequently than semi-annually, Contractor and the Nursing/Physician PCs will provide payroll information to Facility for itself and its affiliates so as to allow Facility to review and gauge compliance with California law. Provided, however, Facility shall have no responsibility to ensure Contractor and its affiliates are in compliance with any local, state or federal law, regulation, or rule.

17. **Indemnity.** Contractor and its general partners jointly and severally agree to and shall indemnify and hold harmless the Facility together with its officers, directors, agents, subsidiaries, parental entities and employees, from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorneys' fees, for any actual or alleged injury to or death of any person, or for damage to any property, arising out of, related to, or in connection with: i) any act, omission, or failure to act or services provided by Contractor, Nursing PCs, Physician PCs or Contractor's Anesthesia Provider(s); and ii) Contractor's or any Nursing PC's, Physician PC's or any of their affiliates' failure, as the case may be, to comply with any federal, state, or local law, regulation, or rule. Provided however, notwithstanding anything in this Agreement to the contrary, Contractor will not indemnify or hold harmless the Facility from and against any and all claims, losses, damages, causes of action, suits or liability of any kind arising out of or in connection with any determination, judicial, governmental or otherwise, that Anesthesia Providers should have been characterized or treated as employees of the Facility. The Facility agrees to and shall indemnify and hold harmless Contractor, Contractor's Anesthesia Providers, and Nursing/Physician PCs, together with their officers, directors, agents, subsidiaries, parental entities and employees, from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorneys' fees, for injury to or death of any person, or for damage to any property, arising out of or in connection with any act or failure to act or services provided by the Facility under this Agreement.

18. **Non-interference.** The Facility hereby recognizes and agrees that Contractor has expended its resources and efforts to recruit and retain qualified personnel. The Facility further recognizes and agrees that Contractor has incurred extensive expense in this recruitment effort. Therefore, the Facility hereby agrees that during the term

of this Agreement, and extensions thereof, and for a period of twelve (12) months after the termination of this Agreement, provided such termination is not a result of Contractors or default or breach, the Facility will not (i) directly or indirectly solicit the professional services of any Anesthesia Provider(s) under contract or having performed services for Contractor who has worked at the Facility; (ii) induce or persuade, or attempt to persuade any such Anesthesia Provider(s) to terminate their contract with Contractor.

19. Term and Termination.

- a. Term. This Agreement shall be effective as of the Effective Date of this Agreement, and the term of this Agreement shall begin on the Commencement Date and shall continue in full force and effect for an initial period of three (3) years from the Commencement Date, unless earlier terminated as set forth in this Agreement. Thereafter, this Agreement shall automatically renew for successive three (3) year terms, unless either Party shall give written notice of non-renewal to the other Party at least ninety (90) days in advance of the end of the then-current term.
- b. Termination. This Agreement may be terminated:
 - i. by the Parties upon their mutual consent;
 - ii. by any Party:
 - (i) without cause, upon at least ninety (90) days prior written notice to the other party, after the completion of six (6) months of the initial term of this Agreement;
 - (ii) immediately, if other Party fails to observe, keep or perform any material provision of this Agreement and such default remains uncured thirty (30) business days after written notice to cure has been given to the defaulting party; and
 - (iii) Immediately, if either Party commits an act of fraud, misappropriation or embezzlement or is charged with a felony or any crime of moral turpitude;
 - (iv) Immediately by Facility if Contractor is unable to perform the Services or substantially all of the obligations and duties required to be performed by either Party under this Agreement;
- c. Effects of Termination. Upon termination of this Agreement, as hereinabove provided, neither Party shall have any further obligation hereunder except :
 - i. Obligations accruing prior to the date of termination.
 - ii. Obligations, promises or covenants contained herein which are expressly made to extend beyond the Term including without limitation, the Records (Section 5 of this Agreement), Insurance (Section 11 of this Agreement), Books and Records - Medicare Rules

(Section 12), Indemnification (Section 17 of this Agreement) and Non-Interference (Section 18 of this Agreement).

- iii. Confidentiality of Information provision set forth herein, all of which shall survive the termination or expiration of this Agreement, as set forth in Sections 20, 21, and 22 of this Agreement.

20. **Confidentiality of Agreement.** Neither Party shall disclose any of the terms of this Agreement, including without limitation, Parties compensation hereunder, policies, procedures and rules of any of the Parties, information with respect to any of the Parties patients, costs, and prices to any person or entity, except as required by law, without the prior written consent of the other Party.

21. **Confidentiality of Information.** The Facility and Contractor recognize and acknowledge that, by virtue of entering into this Agreement and providing services as set forth herein, the Facility and Contractor will have access to certain information of the Parties that is confidential and constitutes valuable, special and unique property of the Parties. The Parties agree that it will not, without prior written consent, at any time, either during or subsequent to the Term of this Agreement, disclose to others, use, copy or permit to be copied, except in pursuance of its duties for or on behalf of the Parties, its successors, assigns, or nominees, any secret or confidential information or know-how of the Parties that is not available to the public.

The personal files of practitioners, as well as all proceedings, files, records, and related information of Contractor, the Facility, and the Facility's staff and its committees pertaining to the evaluation and improvement of the quality of patient care in the Facility, shall be kept strictly confidential by the Facility and by Contractor and its Anesthesia Providers to the extent required by applicable law or regulation. Neither the Facility, Contractor nor Contractor's Anesthesia Providers shall voluntarily disclose such confidential information, either orally or in writing, except as expressly required by law or court order or pursuant to a written authorization by the other Party. This covenant shall survive the termination of this Agreement.

22. **HIPAA/Privacy of Patients.** During the term of this Agreement and at all times thereafter, Contractor shall comply, and shall cause of Contractor's Anesthesia Providers to comply with all applicable laws, rules, regulations, standards, guidelines, policies, procedures and bylaws promulgated by all applicable Regulatory Authorities and all applicable policies and procedures of Contractor and the Facility regarding maintaining the confidentiality of the identity and the privacy of the patients of the Facility, and of any individually identifiable health information relating to patients treated at the Facility ("Protected Health Information" or "PHI"). In particular, except as permitted or required by this Agreement or by law, Contractor will not, and shall cause each Anesthesia Provider to not, use or disclose patient information in a manner that would violate the requirements of the Health Insurance Portability and accountability Act of 1996 ("HIPAA") and the federal privacy regulations ("Privacy Regulations") set forth at 45CFR Part 160 and Part 164.

If the Facility receives a request from a patient wishing to exercise such patient's rights with respect to PHI, to exercise such rights, including (i) the right to inspect PHI within the possession or control of the Facility, its business associates, and their subcontractors, (ii) the right to amend such PHI, and (iii) the right to obtain an accounting of certain disclosures of their PHI to third parties, and the Facility reasonably believes Contractor is in possession or control of all or portions of such PHI that is not already in the possession or control of the Facility, the Facility shall notify Contractor in writing of the request.

23. **Notices.** All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when (a) physically received in hand by the party to whom directed or (b) deposited in the United States mail when sent by certified or registered mail, postage prepaid, to the other Party at the following addresses (or at such other addresses as shall be given in writing by either Party to the other):

Facility: Hazel Hawkins Memorial Hospital
911 Sunset Drive
Hollister, CA 95023
Attention: CEO

Contractor: Central California Anesthesiology Solutions
c/o _Bryan Tune_____
_2276 Ashcroft_____
_ Clovis, CA 93611_____

24. **Waiver of Breach.** The waiver by any Party hereto of a breach of any provision of this Agreement shall not operate or be constituted as a waiver of any subsequent breach by any Party.
25. **Entire Agreement.** This Agreement constitutes the entire Agreement of the Parties hereto. No modification or amendment of any of the terms or provisions herein may be made otherwise than by written agreement signed by the Parties hereto.
26. **Severability.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
27. **Parties Bound.** This Agreement shall inure to the benefit of and be binding upon the Parties, their successors and assigns; provided, however, that neither party may assign this Agreement without the other party's prior written consent.
28. **Headings.** The various headings of the paragraphs herein are used solely for administrative convenience and shall not be used for interpretation or construing any word, clause, paragraph or subparagraph of this Agreement.

29. **Governing Law.** This Agreement shall be construed and interpreted according to the laws of the State of California.

30. **Legal Fees and Costs.** If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding in addition to any other relief to which it or they may be entitled.

31. **Exhibits/Schedules.** The attached exhibits, together with all documents incorporated by reference in the exhibits, form an integral part of this Agreement and are incorporated into this Agreement wherever reference is made to them to the same extent as if they were set out in full at the point at which such reference is made.

32. **Amendment/Modification of Agreement for Continued Compliance.** In the event that any provision of this Agreement becomes impermissible or unlawful, or otherwise has or may have an adverse impact upon the status of the Facility as a provider under the Medicare or Medicaid programs, or the Facility's accreditation by a relevant accrediting body, as a result of: (a) any law, (b) any rules, ruling or regulation enacted or promulgated by any federal, state or other governmental administrative body, (c) any court or governmental administrative agency decision, (d) any bond covenant, or (e) any relevant accreditation standard which has been implemented or changed, subsequent to the execution of this Agreement, then based upon the advice of legal or tax counsel to the Facility, if the Facility determines that such provision, as well as any other provisions of this Agreement, must be modified for this Agreement to remain in compliance with any such law, rule, regulation, decision or standard, the Facility shall give notice of such fact to Contractor. In such event, the parties shall have a period of thirty (30) days following the giving of such notice to renegotiate the affected provision(s) in a manner which preserves the original purposes and intent of this Agreement. If an agreement cannot be reached within such thirty (30) day period, either party may terminate this Agreement upon providing ninety (90) days prior written notice to the other Party.

IN WITNESS WHEREOF, this Agreement is signed as of the day and year first above written.

"Facility"
SAN BENITO HEALTH CARE DISTRICT

"Contractor"
CENTRAL CALIFORNIA
ANESTHESIOLOGY SOLUTIONS

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

**Schedule 1
Anesthesia Services**

The Anesthesia Services shall include, but not be limited to the following:

- a. Providing Anesthesia Services at the Facility required for pre-, inter and post-operative patients receiving health care services at the Facility. The Anesthesia Services shall include, but not be limited to, provision of anesthesia and related services, education, quality control and other customary services associated with provision of Anesthesia Services.
- b. Upon request, consulting with and rendering advice to the Facility's clinical and administrative personnel regarding the provision of Anesthesia Services at the Facility and regarding the selection and acquisition of equipment, outside vendors, supplies and support services with respect to the performance of such Anesthesia Services.
- c. Immediately notifying the Facility of all material and relevant facts and information which Contractor reasonably believes might, directly or indirectly, adversely affect the provision of Anesthesia Services pursuant to this Agreement and the provision of other services to patients receiving health care treatment at the Facility.
- d. Performing such other duties as may from time to time be agreed to by Contractor and the Facility.

Coverage

Beginning on the Commencement Date and continuing for 90 days thereafter ("Initial Assessment Period"), Contractor shall provide all of the coverage at the Facility on the following terms:

Anesthesia Provider	On Site	Coverage
Medical Director (Anesthesiologist)	Monday-Friday 07:00-17:00	ASC/OR
CRNA	Monday-Friday 07:00-17:00	ASC/OR
CRNA	Monday-Thursday 07:00-17:00	ASC/OR
CRNA	Monday-Friday 15:00-23:00	OB
CRNA	Monday-Friday 15:00-07:00	Weekday Call
CRNA	Saturday-Sunday 07:00-07:00	Weekend Call

CRNA coverage shall be provided 52 weeks per year; Medical Director coverage shall be provided 46 weeks per year. Upon completion of the Initial Assessment Period (and from time to time as necessary thereafter), Contractor and Facility shall, within 15 days, meet to analyze and discuss the Facility's required future Anesthesia Services coverage levels. Contractor and Facility shall mutually determine whether they believe an adjustment to Anesthesia Services coverage is in the best interest of the patients of Facility. Unless and until Contractor and Facility mutually agree an adjustment to Anesthesia Services coverage is necessary, coverage shall continue on the terms then in effect between the parties.

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Schedule 2 Compensation

1. Initial Term

Service Fee. For the initial term of this Agreement, Facility shall pay to Contractor Two Million Seventeen Thousand and One Hundred Twenty Dollars (\$2,017,120) annually ("**Service Fee**"). The Service Fee shall be payable in equal monthly installments and in advance on the first business day of each month (each installment payment equaling One Hundred and Sixty-Eight Thousand and Ninety Three Dollars and Thirty-Three Cents (\$168,093.33).) The first installment payment shall be made on the Commencement Date. In the event that coverage levels are adjusted after the Initial Assessment Period (or any other time) pursuant to Schedule 1, the Service Fee shall be adjusted on a pro rata based on the increase or decrease in the number of hours of coverage (taking into account the level of Anesthesia Provider and type of coverage).

Collections Guarantee. In addition to the Service Fee, Facility shall also guarantee that Contractor collects Gross Receipts (defined below) of \$450,000 ("**Guarantee Amount**") attributable to services provided during each Collections Year from the provision of Anesthesia Services under this Agreement. For purposes of this Section only, a "Collections Year" shall mean 365 days. The first Collections Year shall start on the Commencement Date, the second on the first anniversary of the Commencement Date, etc. Gross Receipts collected shall be attributable to the Collections Year in which Anesthesia Services were rendered; for services spanning two calendar dates, the date the Anesthesia Services commenced shall control. The Gross Receipts received for a given Collections Year shall be calculated 180 days after the end of such Collections Year. If the Contractor has collected Gross Receipts less than the Guarantee Amount, Facility shall, within 15 days of completion of the reconciliation, pay to Contractor the difference between Gross Receipts actually collected and the Guarantee Amount. If Contractor has collected Gross Receipts in excess of the Guarantee Amount, Contractor shall, within 15 days of completion of the reconciliation, pay to Facility 90% of the surplus Gross Receipts collected above the Collections Amount (Contractor shall retain 10% of the surplus as a billing, collecting and administration fee). In the event coverage services are adjusted pursuant to Schedule 1, the Guarantee Amount shall also be adjusted (in conjunction with the Service Fee) in proportion to the applicable increase or decrease in the number of hours of coverage (taking into account the level of Anesthesia Provider and type of coverage). Gross Receipts means the sum of all professional fees actually received each month, on a cash basis, as a result of the Anesthesia Services rendered by the Contractor pursuant to this Agreement.

Contractor shall (1) timely bill, within 60 days of rendering services, and use commercially reasonable efforts collect for all Anesthesia Services provided; (2) on a quarterly basis, (i) provide to Facility a report detailing billing, collections received, collections and billing trends, and recommendations for improving collection rates for Anesthesia Services in the last quarter; and (ii) meet with Facility's administration to discuss the report, billing and collecting practices, and methods/ recommendations for billing and collections improvements; (3) not delegate any of its rights, duties or obligations under this Section, or designate a substitute collection agent, without the prior written consent of Facility.

2. Subsequent Terms

For any renewal terms or extensions, Facility shall pay to Contractor fair market compensation, as mutually agreed upon at least 90 days' prior to such renewal or extension term.

3. Audit

Facility may require additional or supplementary reports to establish the value and extent of Anesthesia Services provided hereunder and the actual amounts collected by Contractor, and shall have the authority to request an audit of Contractor's books and records by a mutually agreed upon, independent third-party auditor to establish the value and extent of the Anesthesiology Services and to confirm that compensation for Anesthesiology Services is consistent with fair market value and is commercially reasonable. Contractor agrees to provide in a timely manner documents requested by Facility or the independent third-party auditor for purposes of any audit. Such documents shall be subject to a mutually agreeable confidentiality and non-disclosure agreement if appropriate.

In the event Contractor's reports, books and records do not accurately reflect or document the Anesthesia Services performed pursuant to this Agreement or amounts reportedly collected and for which payment has been made by Facility to Contractor or the independent third-party auditor determines that compensation for the Anesthesia Services is not consistent with fair market value or commercially reasonable, Contractor will promptly refund to Facility the amount of any overpayment as determined by Facility or the independent third-party auditor. Any failure by Contractor to do so shall be an event of default and grounds for immediate termination. Contractor's obligation to refund Facility under this section shall survive expiration or termination of this Agreement. Conversely, if it is determined that Contractor has been underpaid for Anesthesia Services pursuant to this Agreement, Facility will promptly pay the amount owed to Contractor.

Facility will not compensate Contractor, at any time, in a manner that takes into account or varies with the volume or value of referrals to, or business generated for the Facility or any affiliate of Facility by Contractor or Anesthesia Providers. Contractor's compensation shall at all times be consistent with fair market value and commercially reasonable for the services provided.

In the event this Agreement is terminated for any reason by either Party, the Service Fee and Guarantee Amount will be prorated so as to account for the Anesthesia Services actually rendered through the effective date of termination, subject to the requirements for verification and other provisions of this Agreement.

**Schedule 3
Medical Director**

The Medical Director shall be a physician, board-certified in anesthesiology by the American Board of Anesthesiology, licensed by the Medical Board of California, and be a member of Facility's Medical Staff. The initial Medical Director shall be _____. If the initial Medical Director is replaced for any reason, Facility shall have the authority to approve or reject the appointment of any replacement Medical Director. The Medical Director shall:

Be responsible for the planning, operation and management of Anesthesia Services, and supervise the quality of the medical care rendered, in coordination with appropriate medical staff committees and Facility administrative personnel.

Submit to the administrative person designated by Facility the assignment schedules of Anesthesia Providers;

Report on the provision of Anesthesia Services to Facility at least quarterly, and submit such data, reports, and records as may reasonably be requested or required by Facility, regulatory bodies, and accreditation agencies relative to Anesthesia Services.

As part of Center's budget process, advise Facility of recommended capital improvements and equipment needs.

Attend all meetings of the Medical Staff when other duties permit;

Actively participate on committees as requested by Facility or the medical staff, and be available at reasonable times for consultation;

Participate in the development and evaluation of Anesthesia Services policies, procedures, and programs on an annual basis (including a continuous quality improvement program, e.g., monitoring and evaluation of clinical care activities and patient services with a timeline to assess the efficiency of corrective measures), and propose changes as necessary in order to assure that Anesthesia Services meets the requirements of state and federal laws regarding services in anesthesiology, as well as applicable accreditation standards and licensing requirements; and

Analyze audit results to assure patient care meets the expected standards.

Facilitate discussions related to ethical patient care issues, assisting to achieve satisfactory resolution to the patient care issue.

Provide medical education and training to provide continuous learning opportunities.

Enhance collaboration between Facility and healthcare providers to promote teamwork and communication among the entire healthcare team.

Build a culture of respect, trust and professionalism among medical staff providers which is represented by fairness, integrity and nondiscrimination.

Perform such other tasks or obligations reasonably requested by Facility.



Contract Review Worksheet – Pinehurst Hospitalist Medical Group, Inc.

Agreement Type: New Amendment Addendum _____

- Medical Director Professional Services ___ ED On-Call
 ___ Recruitment ___ Hospital Coverage ___ Leadership/Committee
 ___ Other (specify):

Contracting Entity Name: Pinehurst Hospitalist Medical Group, Inc.

Executive Summary: Pinehurst Hospitalist Medical Group, Inc. has provided 24/7/365 hospitalist coverage since December 2020.

Services Provided: With a steadily increasing average daily inpatient census, the Group will provide 2 onsite Physicians 7am-7pm and call coverage 7pm-7am 365 days per year. In addition, performance metrics targeting length of stay, discharge before noon, physician communication & 30-day readmit percentages are being added to the agreement.

Department	Cost Center(s)	Person Responsible for Oversight
Hospitalist	01.6010, 01.6170, 01.7010	1: CEO 2: Dir, Provider Svcs & Clinic Operations

Agreement Terms:

Proposed Effective Date: 6/1/2022 Contract Term: 36 months Expiration Date 5/31/25 Auto-renew: Yes
 Termination Clause: 90-day

Financial Terms:

Select One: ___ Funds to be Paid to Hospital Funds to be Paid by Hospital

Contract Rate: Annual subsidy of \$2,248,317 (<75th %ile MGMA), of which \$80,000 is at-risk through performance metrics.

Contract Term	FMV %ile	Base Monthly Cost	Expected Annual Base Cost	Exptected Term Cost
3 years	<75th	\$187,400	\$2,248,317	\$6,744,951

Other Compensation Agreements with Contracting Entity (List All)

Specify:

Required Assessment/Attachments (required prior to approval):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Drafted or template | <input type="checkbox"/> Other Associated Contracts |
| <input checked="" type="checkbox"/> Contract FMV | <input type="checkbox"/> Supplemental doc if FMV >75 th %ile |
| <input checked="" type="checkbox"/> Overall FMV | <input checked="" type="checkbox"/> Commercial Reasonableness Documented |
| <input checked="" type="checkbox"/> Certificate of Liability Insurance | <input type="checkbox"/> Business Associate Agreement |
| <input type="checkbox"/> Supplemental checklist (if w/in 1 yr of orig & \$ change) | |

Required Assessment/Attachments (required prior to approval):

	Name/Activity	Date/Note
Requested by/Responsible:	Steven Hannah, CEO	4/20/22

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Contract Review Worksheet – Pinehurst Hospitalist Medical Group, Inc.

Review following signatures/approval:

Legal Counsel:	5/9/22
Finance Committee:	5/19/22
Board of Directors (if required: insert N/A or Board approval date at right):	5/26/22

Review following signatures:

Signatures: MD: _____ CEO: _____	
Board of Directors (<i>if required: insert N/A or Board approval date at right</i>)	5/26/22
Added to physician contract tracking document	
Contract Administrator – final review:	

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**FOURTH AMENDMENT TO HOSPITAL-BASED PHYSICIAN
HOSPITALIST SERVICES AGREEMENT**

This Fourth Amendment to the Hospital-Based Physician Hospitalist Services Agreement (“**Amendment**”) is effective June 1, 2022 (“**Effective Date**”), by and between San Benito Health Care District, a Local Health Care District (“**SBHCD**”), operator of Hazel Hawkins Memorial Hospital, a general acute care hospital (“**Hospital**”), and Pinehurst Hospitalist Medical Group, Inc., a California professional corporation (“**Medical Group**”), collectively referred to as the “**Parties.**”

RECITALS

A. SBHCD and Medical Group entered into the Hospital-Based Physician Hospitalist Services Agreement effective December 23, 2020, as amended by Addendum Number 1, effective December 23, 2020, by Addendum Number 2, effective January 1, 2022, and by Addendum Number 3, effective March 1, 2022 (collectively, the “**Agreement**”); and

B. Pursuant to Addendum Number 3, the Parties agreed to extend the Agreement for purposes of negotiating and restructuring the Agreement; and

C. As of the Effective Date of this Amendment, the Parties desire to modify and restate certain terms in the Agreement, including a new effective date for the term of the Agreement and the services provided and compensation as set forth herein.

Now, therefore, for good and valuable consideration, the Parties agree that the Agreement is amended as follows:

1. Renewal Term. The Parties agree to renew the Agreement for an additional term of three (3) years, beginning on June 1, 2022 (“**Renewal Term**”). The Parties agree that, unless otherwise terminated or extended, the Agreement shall expire at 11:59 p.m. on May 31, 2025. As used in the Agreement, “**Term**” shall mean the period beginning June 1, 2022 and ending on the last day of either the Renewal Term or of any successive terms, as applicable.

2. Tele-Intensivist Services. Upon execution of that certain Assignment and Assumption Agreement effective as of even date herewith, Exhibit B of the Agreement shall be amended to add the following as Medical Services: “Medical Group shall arrange for, supervise and/or perform certain critical care consult services by telemedicine, to be available 24 hours per day, seven days per week, for Hospital’s patients, using Hospital’s telehealth platform and EMR.”

3. Coverage. The following is added as the last sentence of Section 1.2 “Medical Group shall provide coverage as follows: two (2) Physicians shall provide onsite coverage between 07:00 and 19:00; one (1) Physician shall provide call coverage between 19:00 and 07:00.”

4. Compensation. As of the Effective Date of this Amendment, Exhibit C of the Agreement titled “Compensation” is deleted in its entirety and replaced with the restated Exhibit C, attached hereto as Appendix A and incorporated herein by reference.

5. Performance Metrics. As of the Effective Date of this Amendment, the Performance Metrics set forth in Appendix B attached to this Amendment are hereby incorporated as Exhibit D of the Agreement .

6. Director Duties. The following shall be added to the Agreement as Section 1.1.2.3: "In addition, the Director shall be responsible for:

- i. Education and in-service instruction for facility nursing and ancillary staff;
- ii. Providing for the overall Medical Directorship of the Hospitalist services;
- iii. Engaging openly and transparently with ED providers, case managers, nursing leaders, administrators and others as appropriate;
- iv. Making recommendations to the facility's administration regarding the use of staff, equipment and patient care quality standards in connection with Hospitalist services;
- v. Serving as liaison to the appropriate Medical Staff committees and general medical staff relevant to Hospitalist services;
- vi. Reviewing and recommending, as appropriate, revisions to relevant policies and procedures;
- vii. Attending monthly meetings, driven by the Medical Director with Administration to review clinical outcomes and program operations;
- viii. Continually reviewing records and reports of Hospitalists to promote quality of patient care;
- ix. Assisting with administrative issues relative to the Hospitalist services;
- x. Participating in applicable quality improvement activities;
- xi. Maintaining current knowledge of advances in Hospitalist services and assisting in development and implementation of contemporary treatment protocols; and
- xii. Partnering with Case Management to ensure the appropriate utilization of programs and services.

7. No Other Changes. All terms and conditions of the Agreement not altered, amended or otherwise affected by this Amendment are reaffirmed by the Parties and shall remain in full force and effect between them.

8. Entire Agreement. This Amendment supersedes and replaces the provisions of the Agreement as described herein, including the Hospitalist Additional Compensation set forth in Addendum Number 3 for Hospitalist Backup Coverage. Except as set forth in this Amendment, if there is any conflict or inconsistency between this Amendment and the Agreement, this Amendment shall control and govern in the interpretation and construction of the Agreement.

9. Counterparts. This Amendment may be executed in multiple counterparts, and counterpart signature pages may be assembled to form a single, fully executed document. Electronic signatures will have the same binding effect as wet signatures.

******Remainder of Page Left Intentionally Blank******

10. Time of the Essence. Time is of the essence with respect to every aspect of this Amendment and the Agreement.

In witness whereof, by their duly authorized representatives, the Parties have executed this Amendment to be effective as set forth above.

Hospital:

San Benito Health Care District

By: _____
Name: Steven M. Hannah
Title: CEO
Date: _____

Medical Group:

Pinehurst Hospitalist Medical Group, Inc., an affiliate of US Acute Care Solutions

By: _____
Name: Steve Maron, M.D.
Title: President, USACS West
Date: _____

APPENDIX A

Exhibit C

Effective June 1, 2022

COMPENSATION

1. **Management Stipend.** Subject to satisfaction of the performance metrics set forth in Exhibit D, Hospital shall pay Medical Group a fixed annual stipend of \$2,248,317.00 for the first contract year of the Term, beginning June 1, 2022, for Medical Group's cost to provide the Services described in Exhibit B, including personnel/staffing, medical director fees, and professional liability coverage expenses. Thereafter, the Management Stipend will increase by two percent (2%) on June 1 for each subsequent contract year of the Agreement (subject to satisfaction of said performance metrics). Hospital will pay the Management Stipend to Medical Group in equal monthly amounts as invoiced by Medical Group, and Hospital will pay each invoiced amount within thirty (30) days of receipt of the invoice. Late payments shall be subject to interest accruing at a rate of six percent (6%) per annum compounded monthly on the balance which remain unpaid.

2. **Additional Expense Reimbursement.** In the event Medical Group believes it necessary to expend additional sums to (1) acquire additional shift coverage/back-up coverage, or (2) recruit new Physicians to Hospital's service area, (including but not limited to relocation and signing bonus payments), Medical Group may request additional reimbursement for such expenses, which request may be granted or denied in Hospital's sole discretion; provided, however, no request for additional expense reimbursement shall be granted unless the request is made by Medical Group in writing to Hospital ten (10) days prior to the expenditure of such expense.

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APPENDIX B

Exhibit D
Effective June 1, 2022

Performance Metrics

Each Contract Year Quarter, Medical Group shall meet the following performance metrics (“Performance Metrics”). Failure to meet any Performance Metric(s) shall subject Medical Group to penalties, as set forth below, which shall be deducted and offset against the Management Stipend owed to Medical Group immediately following the close of the Contract Year Quarter in which the applicable Performance Metric is not met. The Contract Year Quarters are: (1) June through August, (2) September through November, (3) December through February, and (4) March through May.

Metric	Penalty Amount per Quarter	2021 Baseline	50% lost	25% lost	0% lost
Case Mix Adjusted ALOS	\$5,000	3.08	>3.1	>3.0 and ≤3.1	≤3.0
D/C by Noon	\$5,000	69%	70%	72%	74%
HCAHPS	\$5,000	77%	79%	81%	83%
30-day Readmits	\$5,000	13%	13%	12%	11%

By way of example only, if Medical Group fails to meet two performance metrics in the second Contract Year Quarter (September through November), \$10,000 shall be deducted from the first Management Stipend owed in December.



Contract Review Worksheet – Cytodiagnostics, a Medical Corporation

Agreement Type: New Amendment _____ Addendum _____

- Medical Director Professional Services ___ ED On-Call
 ___ Recruitment ___ Hospital Coverage ___ Leadership/Committee
 ___ Other (specify):

Contracting Entity Name: Cytodiagnostics, a Medical Corporation.

Executive Summary: Cytodiagnostics, under the leadership of Medical Director Dr. Michael McGinnis, has provided hospital-based pathology & clinical laboratory services since 2017. The agreement is converting to a productivity model allowing the hospital to bill the technical component of pathology services. In addition, Dr. McGinnis provides after-hours critical value coverage. The estimated net revenue opportunity for this agreement is \$175,000/annually based on historical volumes and the hospital’s current Medicare Fee schedule for pathology technical component services.

Services Provided: Pathology & Clinical Laboratory Services and Medical Directorship.

Department	Cost Center	Person Responsible for Oversight
Laboratory	01.7500	1: CEO 2: Dir, Provider Svcs & Clinic Operations

Agreement Terms:

Proposed Effective Date: 7/1/22 Contract Term: 36 months Expiration Date 6/30/25 Auto-renew: Yes
 Termination Clause: 180-day notice

Financial Terms:

Select One: ___ Funds to be Paid to Hospital X Funds to be Paid by Hospital

Contract Rate: Pathology Technical Component Services based on current Medicare Fee schedule. Medical Directorship fee of \$3,600/month (< MGMA 75th %ile) is based on a minimum of 15-20 hours per month and includes after-hours critical value coverage.

Service	Contract Term	FMV %ile	Expected Base Monthly Cost	Expected Annual Cost	Expected Term Cost
Pathology Technical Component	3 years	Medicare Fee schedule	\$24,000	\$288,000	\$864,000
Medical Directorship	3 years	< 75th %ile	\$3,600	\$43,200	\$129,600

Other Compensation Agreements with Contracting Entity (List All)

Specify: N/A

Required Assessment/Attachments (required prior to approval):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Drafted or template | <input type="checkbox"/> Other Associated Contracts |
| <input checked="" type="checkbox"/> Contract FMV | <input type="checkbox"/> Supplemental doc if FMV >75 th %ile |
| <input checked="" type="checkbox"/> Overall FMV | <input checked="" type="checkbox"/> Commercial Reasonableness Documented |
| <input type="checkbox"/> Certificate of Liability Insurance | <input type="checkbox"/> Business Associate Agreement |
| <input type="checkbox"/> Supplemental checklist (if w/in 1 yr of orig & \$ change) | |

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**SAN BENITO HEALTH CARE DISTRICT
PROFESSIONAL SERVICES AGREEMENT
FOR PATHOLOGY AND CLINICAL LABORATORY SERVICES**

Cytodiagnosics, a Medical Corporation

This Professional Services Agreement for Pathology Services (“Agreement”) is made and entered into on **July 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 **Cytodiagnosics, a Medical Corporation**, a California professional medical corporation (“Group”).

RECITALS

- A. SBHCD owns and operates a health care system in San Benito County, California, including Hazel Hawkins Memorial Hospital, a general acute care facility located in Hollister, California which provides health care services to residents of the district and surrounding communities (“Hospital”).
- B. Hospital operates a Pathology and Clinical Laboratory Services Department (“Department”) which provides anatomical and clinical pathology and laboratory services for the benefit of residents in the district and surrounding communities.
- C. Group is a medical corporation organized under the California Corporations Code, with physicians who are duly licensed by the State of California and qualified in the specialty of pathology.
- D. Hospital has independently determined that the optimum standard of patient care can best be achieved if certain designated physicians have exclusive responsibility for the exclusive provision of pathology and clinical laboratory services at Hospital.
- E. Hospital believes that this Agreement will effectively fix that responsibility and accountability and will promote the attainment of the optimum of patient care by: (i) facilitating the coordination of equipment, facilities, programs, personnel and professional care which is necessary to the provision of an optimum quality of services at reasonable and competitive prices; (ii) simplifying coordination of the relationships between the Department and Hospital; (iii) assuring that pathologists providing services at Hospital will perform a volume of cases appropriate to maintain proficiency; and (iv) enabling Hospital to secure the appropriate level of pathology and clinical laboratory skills needed to support other services at Hospital.
- F. SBHCD desires that Group provide pathology and clinical laboratory services at SBHCD on an exclusive basis, and Group desires to do so. Hospital and Group desire to enter into this Agreement to provide a full statement of their respective responsibilities in connection with the operation of the Department during the term of this Agreement.
- G. This Agreement shall supersede any and all other agreements between SBHCD and any physician or group regarding the administration and operation of the specialty service of pathology and regarding the services described in this Agreement.

The Parties agree as follows:

1. PATHOLOGY SERVICES AND COVERAGE

- 1.1 Group Pathologists. Group shall provide qualified physician(s) (“Group Pathologist(s)”) to deliver anatomical and clinical pathology services, clinical laboratory services, blood banking services, administrative services, and coverage at SBHCD as set forth in this Agreement (“Pathology Services”).
- 1.2 Anatomical Pathology Services and Schedule. Group shall provide professional anatomical pathology services (which includes surgical pathology, frozen sections, and cytology) reasonably required for patient care and operation of Hospital, as determined by SBHCD and Hospital’s Medical Staff in a timely,

competent, and efficient manner to all patients of SBHCD regardless of financial status, including interpretation of specimens and follow up communication with attending physician. Group's obligation to provide Pathology Services is conditioned on Hospital having adequate equipment and supplies for such Services. Group shall provide on-site anatomical services during the days and times set forth in Exhibit A.

- 1.3 Clinical Pathology/Laboratory Medicine and Blood Banking Services and Schedule. Group's Services shall include clinical pathology services reasonably required for patient care and operation of Hospital and Clinics as determined by SBHCD and Hospital's Medical Staff in a timely, competent, and efficient manner to all patients of SBHCD regardless of ability to pay, including oversight of the laboratory, supervising laboratory personnel, reviewing abnormal results, and follow up communication with attending physician. Group shall provide clinical pathology/laboratory and blood banking services on-site during the days and times as set forth in Exhibit A.
- 1.4 Pathology Coverage Services. Group shall arrange for on-call and after-hours Pathology Services by Group Pathologists during the days and times listed in Exhibit A.
- 1.5 Administrative Services. Group shall provide the following Administrative Services under this Agreement:
 - 1.5.1 Medical Staff Responsibilities. Group agrees that its Group Pathologists will perform, without additional compensation, such teaching and other non-patient care duties as are in accord with the recommendations of the California Medical Association, The Joint Commission, the College of American Pathologists, and as are determined necessary by Hospital and its Medical Staff. Group recognizes that, as individual physician members of the Hospital's Medical Staff, Group Pathologists may be required to serve on committees of the Medical Staff, assist Hospital in its efforts to provide continuing education and related services, or perform other duties consistent with the practice of medicine at an accredited acute care hospital. Group shall cooperate with members of the Medical Staff in preparation for clinical conferences and will use reasonable efforts to maintain Medical Staff standards for anatomic and clinical pathology.
 - 1.5.2 Communication. Group shall maintain an effective communication process to interface with patients' attending physicians and specialist physicians.
 - 1.5.3 Quality Assurance. Group will conduct and participate in Department quality assurance programs and studies in accordance with SBHCD policies, regulations, and accreditation requirements.
 - 1.5.4 SBHCD Policies and Procedures. Group shall assist in development, implementation, and periodic review of policies and procedures pertaining to Pathology Services at SBHCD.
 - 1.5.5 In-Service Education. Hospital and Group will develop and implement an in-service education program for personnel of Department. Topics shall include, but not be limited to, technical education, operational changes, Department procedures, and programs based on findings of quality assurance studies.
 - 1.5.6 Cost Containment. The parties recognize that cost containment is one objective of both Group and SBHCD. Group will endeavor to use cost effective diagnostic and treatment options, consistent with patient safety and medical quality. Group will only order tests that are medically reasonable and necessary in its professional judgment. Additionally, Group agrees to participate in and assist with SBHCD efforts to comply with regulatory requirements related to the ordering and provision of Pathology Services.
 - 1.5.7 Medical Director of Pathology Services. After consultation with and approval of SBHCD, Group shall designate a Group Pathologist to serve as the Medical Director of Pathology Services ("Medical Director") and as Group's representative to SBHCD in all matters relating to the rights and duties under this Agreement. Medical Director duties and responsibilities are outlined in Exhibit E of this Agreement. SBHCD shall compensate Group for Medical Director of Pathology Services as set forth in Exhibit B of this Agreement. SBHCD shall maintain insurance coverage for the administrative functions of the Medical Director.

2. SELECTION OF GROUP PATHOLOGISTS

- 2.1 Physician Staffing. Group shall maintain a professional staff of physicians sufficient to discharge its responsibilities under this Agreement. Group shall have discretion in selecting individual physicians, subject to each Group Pathologist meeting the qualifications set forth in this Agreement, and subject to the other requirements of this Agreement. The physicians listed on attached Exhibit C of this Agreement are hereby approved to render services (“Group Pathologists”) as meeting the qualifications set forth in this Agreement.

3. EXCLUSIVE SERVICES

- 3.1 Group Exclusivity. SBHCD hereby grants to Group the exclusive right and responsibility to provide Pathology Services at Hospital. During the term of this Agreement, Group agrees to devote its time exclusively to performing Pathology Services for SBHCD.
- 3.1.1 Group agrees that it will not, either directly or indirectly, through a subsidiary corporation or entity, as a member of any partnership, or through its agents, employees, shareholders, officers, directors, or independent contractors carry on or engage in, either as an owner, part-owner, member, operator, physician, employee, agent, independent contractor, or other participant, any business or practice not covered under this Agreement which provides pathology/laboratory services in the Hospital’s service area.
- 3.1.2 Group may provide professional pathology services (but not including the “technical” component) outside of SBHCD upon notification to SBHCD. Group shall devote sufficient resources and time to meet the service requirements and standards set forth in this Agreement. Additionally, Group shall not favor the provision of professional services outside of SBHCD over its duties under this Agreement.
- 3.1.3 SBHCD agrees the Group’s provision of professional services at the locations and at the frequency set forth in Exhibit D are permissible under this Agreement.
- 3.2 Hospital Exclusivity. Notwithstanding the above, it is understood and agreed that this Agreement does not prohibit Hospital from granting medical staff membership or clinical privileges to other physicians qualified in the specialty of pathology for purposes of providing consulting services specifically requested by an admitting physician to the extent required by California Welfare & Institutions Code §14087.28(b). Such physicians shall independently bill for professional services they perform, and Group has no responsibility for services provided by such specialists.
- 3.3 No Antitrust Liability. Group is entering into this exclusive agreement pursuant to the official direction of SBHCD and the parties intend that Group and SBHCD shall be immunized from antitrust liability in accordance with the Local Government Antitrust Improvement Act of 1984.
- 3.4 Compliance with Article. Failure of Group to comply with the terms of this Article is a material breach of this Agreement. The parties recognize that if any provision of this Article is breached, in whole or in part, by Group, then SBHCD will be irreparably harmed thereby. In the event of such breach, SBHCD shall be entitled, upon application to any court of proper jurisdiction, to a temporary restraining order or preliminarily injunction to restrain and enjoin Group from such violation without prejudice as to any other remedies SBHCD may have at law or in equity, including termination of this Agreement.

4. SBHCD’S RESPONSIBILITIES

- 4.1 General. SBHCD shall provide the space, furniture, fixtures, equipment, supplies, personnel other than physicians (collectively, “SBHCD Personnel”), and services which SBHCD, in its sole discretion, deems reasonably necessary for the provision of Pathology Services under this Agreement. SBHCD hereby agrees to consult with Group in regard to space, furniture, fixtures, equipment, supplies, SBHCD Personnel and services requirements in planning and budgeting. SBHCD shall provide access to physician documentation software and services as necessary for Group to fulfill its responsibilities pursuant to this Agreement. Group, Group Pathologists, and other Group staff (collectively, “Group Staff”) shall use such space, items, and services only for the performance of the Pathology Services required by this Agreement.

- 4.2 **Equipment.** SBHCD shall maintain SBHCD equipment in good working order and repair in conformance with manufacturers' maintenance procedures. Group shall advise SBHCD immediately, in compliance with SBHCD policies, of any known malfunctions or needed repairs or obsolete equipment. Group, SBHCD personnel, and Group Staff shall operate SBHCD equipment in a safe and proper manner.
- 4.3 **SBHCD Personnel.** SBHCD shall be solely responsible for all salaries, other compensation, employer's payroll taxes, workers' compensation coverage, and fringe benefits for SBHCD Personnel associated with the provision of Pathology Services and administrative services hereunder, including but not limited to courier services for transport of specimens when needed. SBHCD retains full authority to employ, appoint, discipline, transfer and terminate such SBHCD Personnel.
- 4.4 **SBHCD Authority.** SBHCD expressly retains professional and administrative responsibility for the services rendered by Group, and the authority to make decisions regarding the quality or appropriateness of services provided by a Group Staff, 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.

5. LICENSURE AND STANDARDS

- 5.1 **Pathologist Qualifications.** Group shall ensure during the term of this Agreement, each Group Pathologist will:
 - 5.1.1 Be duly licensed to practice medicine in the State of California without restriction;
 - 5.1.2 Be an active member in good standing of the Hospital Medical Staff with privileges to perform Pathology Services under this Agreement;
 - 5.1.3 Either (a) be board-certified in anatomical and clinical pathology, or (b) be eligible to take the board examination as of the Effective Date and obtain board-certification in anatomical and clinical pathology within one (1) year of the Effective Date;
 - 5.1.4 Be a participating physician under Medicare and Medi-Cal programs and not currently or previously excluded from participation in any federally funded health care program, including Medicare or Medi-Cal;
 - 5.1.5 Have executed with the appropriate Medicare and Medi-Cal carriers a valid agreement to accept assignment and qualify for Medicare risk- and cost-based managed care plans;
 - 5.1.6 Possess a current unrestricted federal permit to prescribe medications; and
 - 5.1.7 Have never had his/her license to practice medicine or other certification or permit issued to him/her by any state medical board or any other state or federal agency or regulatory body revoked, lost, or suspended.

6. BILLING AND COMPENSATION

- 6.1 **Charges and Billing.** In instances where Group is responsible for billing, Group shall prepare and submit to SBHCD a schedule of professional fees for professional services, which may be modified from time to time. Such schedule and modifications shall be subject to review and approval by SBHCD, and such approval shall be forthcoming if and to the extent the fees are reasonable and in accordance with customary local fees for comparable service. Group shall bill and collect for professional services in accordance with its schedule of charges, in accordance with all applicable laws, regulations and billing guidelines, and in accordance with any third-party payor discount arrangements it has in effect as applicable. Each party shall bill and collect for its services in compliance with the "No Surprises Act" (Section 2799A-1 of the Social Security Act, 42 U.S.C.A. § 300gg-111).
- 6.2 **Professional Fees – Anatomical Pathology Services.** Group shall separately bill and collect, and shall be entitled to retain, all professional fees and charges that result from Anatomical Pathology Services furnished in Hospital pursuant to this Agreement. Responsibility for billing and collection of professional fees and charges shall reside solely with Group and it shall bear the risk of non-payment thereof. Such billings shall

include both direct patient billings and billings to third party payors. Group shall not include in any bill or charge to patients or third parties any cost or overhead amount of SBHCD.

- 6.3 Clinical Laboratory Services. SBHCD shall be solely responsible for setting fees, billing and collection for clinical laboratory services that are not related to a specific patient specimen, including but not limited to oversight of laboratory, supervising laboratory personnel, reviewing abnormal results, discussion with clinicians, and use of equipment and supplies. SBHCD may modify such fees from time to time in its sole discretion. Group is responsible for engaging the services of a reference lab, and compensation to such lab, as needed for performance of necessary functions, such as preparation of slides and blocks. Neither Group nor any of Group's agents may bill payors or patients for such services.
- 6.4 Third-Party Payors. SBHCD may require that Group negotiate in good faith with third-party payors and enter into contracts with any payor with whom SBHCD has entered into a provider contract, so long as the percentage discount from Group's fees do not exceed more than is reasonable for the market. Group shall comply with all requirements set forth in third-party payor contracts to which it is a party, and with guidelines for participation in public payment programs in which patients at SBHCD are enrolled. Notwithstanding any other provision of this Agreement, Group shall participate in Medicare, Medi-Cal, TRICARE/CHAMPUS, and other government healthcare programs.
- 6.5 All-Inclusive Rates. Group agrees to participate in any single, all-inclusive rate (whether it be capitated, per diem, per discharge or any other rate) that SBHCD negotiates in the future to cover services rendered to patients of a third-party payor, including government payors. SBHCD shall consult with Group before agreeing to include services in any such rate. Group's share of any such rate shall bear the same relationship to the total amount collected by SBHCD under the rate as Group's billings for patients covered by the rate would bear to the total billings for the same patients. SBHCD agrees to make best effort attempts to collect compensation owed for services provided under all-inclusive rate compensation models. SBHCD shall not be responsible for any non-payment and Group shall not look to SBHCD for any financial support related to Pathology Services.
- 6.6 Compensation. SBHCD shall compensate Group for Pathology Services as set forth in Exhibit B of this Agreement.
- 6.7 Information Sharing. Group and SBHCD shall share information with each other, or third parties, as reasonably necessary, and per Section 8.3, to facilitate each party's billings and collections with respect to Pathology Services provided under this Agreement.
- 6.8 Patient Ability to Pay. Group shall provide Pathology Services to patients, without regard for their ability to pay or source of payment.
- 6.9 Fair Market Value. SBHCD and Group acknowledge and agree: (a) they have bargained at arms' length to determine Group's compensation under this Agreement; (b) the compensation is fair market value for the Pathology Services to be performed by Group under this Agreement; and (c) the compensation is consistent with fair market value for similar services in SBCHD's community.
- 6.10 Audits and Adjustments.
 - 6.10.1 SBHCD may require additional or supplementary reports to establish the value and extent of Pathology Services provided hereunder, and shall have the authority to request an audit of Group's books and records by a mutually agreed upon, independent third-party auditor to establish the value and extent of the Services and to confirm that compensation for Services is consistent with fair market value and is commercially reasonable. Group agrees to provide in a timely manner documents requested by SBHCD or the independent third-party auditor for purposes of any audit. Such documents shall be subject to a mutually agreeable confidentiality and non-disclosure agreement if appropriate.
 - 6.10.2 In the event Group's reports, books and records do not accurately reflect or document Pathology Services performed pursuant to this Agreement and for which payment has been made by SBHCD

to Group or the independent third-party auditor determines that compensation for the Services is not consistent with fair market value or commercially reasonable, Group will promptly refund to SBHCD the amount of any overpayment as determined by SBHCD or the independent third-party auditor. Any failure by Group to do so shall be an event of default and grounds for immediate termination. Group's obligation to refund SBHCD under this section shall survive expiration or termination of this Agreement.

6.10.3 If it is determined that Group has been underpaid for Pathology Services pursuant to this Agreement, SBHCD will promptly pay the amount owed to Group. In the event this Agreement is terminated for any reason by either Party, compensation will be due only for Pathology Services actually rendered through the effective date of termination, subject to the requirements for verification and other provisions of this Agreement.

6.11 Referrals and Business Generated. SBHCD will not compensate Group or Group's Pathologists, at any time, in a manner that takes into account or varies with the volume or value of referrals to, or business generated for the SBHCD or any affiliate of SBHCD by Group or Group's Pathologists. Group's compensation shall at all times be consistent with fair market value and commercially reasonable for the services provided.

7. TERM AND TERMINATION

7.1 Term. The term of this Agreement shall be for the period of three (3) years commencing on the Effective Date as first set forth above, unless earlier terminated as provided in this Agreement.

7.2 Termination Without Cause. Either party may terminate this Agreement upon six (6) months' prior written notice to the other party, without stating a cause or reason and without cost or penalty.

7.3 Termination for Cause. Either party may terminate this Agreement for cause upon written notice to the other party, including, without limitation, the occurrence of any of the following events:

7.3.1 A breach of the terms of this Agreement by either party, provided, however, that no such termination shall occur unless the party seeking termination gives the breaching party written notice of such material breach, and such breach is not cured within thirty (30) days following receipt of said notice. Notice of breach required by this section shall specify the nature and extent of the alleged breach.

7.3.2 Acts constituting fraud or willful misconduct (an opportunity to cure need not be given).

7.4 Immediate Termination by SBHCD. SBHCD may terminate this Agreement immediately upon the occurrence of any of the following events:

7.4.1 A Group Pathologist's failure to meet (or remain in compliance with) any requirement set forth in Section 5.1, , or the commission of a felony or any crime involving moral turpitude by any Group Pathologist (whether final or on appeal); provided, however, that if any of the foregoing occur and Group, immediately upon receiving written notice from SBHCD, excludes such Group Pathologist from the performance of services under this Agreement, such event shall not be deemed cause for immediate termination of this Agreement; or

7.4.2 Group's appointment of a receiver for its assets, assignment for the benefit of its creditors, or any relief taken or suffered by it under any bankruptcy or insolvency act.

7.5 Effect of Termination. 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 Pathology Services and SBHCD patients. The right of Group to provide Pathology Services on an exclusive basis at Hospital shall be contingent upon the continued validity and force of this Agreement. If this Agreement expires or is terminated for any reason, Group's right to provide Pathology Services at SBHCD will cease automatically, without any of the hearing rights provided for in the Medical Staff Bylaws, except to the extent required by law. Group Pathologists shall continue to have the right to provide pathology services at

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SBHCD so long as SBHCD does not enter into an exclusive professional services agreement with another pathologist or medical group. Following any such new exclusive professional services agreement, the right of Group Pathologists to provide professional pathology services will terminate for such services that are subject to the exclusive professional services agreement. The termination of this Agreement will have no effect on the Medical Staff membership or clinical privileges of Group Pathologists, which will continue unless terminated in accordance with the Hospital's Medical Staff Bylaws.

8. HIPAA COMPLIANCE

- 8.1 Protected Health Information. Group shall have access to medical records and other information regarding patients of SBHCD ("Protected Health Information" or "PHI"). Group may use and disclose PHI only in accordance with the purposes of providing services under this Agreement, and subject to the restrictions appearing below. Group shall maintain the confidentiality of all PHI in compliance 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") and shall comply with its obligations under the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH Act"), and 45 C.F.R. Parts 160 and 164 Subpart C, Security Standards for the Protection of Electronic Protected Health Information ("Security Rule"), Subpart D ("Breach Notification Rule") and Subpart E, Privacy of Individually Identifiable Health Information ("Privacy Rule") (collectively, the HIPAA Regulations). Without limiting the foregoing, Group and each Group Pathologist agrees to maintain PHI, as defined from time to time under the HIPAA Regulations, which may be made available to or received by Group under this Agreement or otherwise in connection with the delivery of Services under this Agreement, in accordance with the requirements of HIPAA Regulations. Group and Group Staff agrees to:
- 8.1.1 Not use or further disclose PHI in a manner that would violate the requirements of applicable laws or this Agreement;
 - 8.1.2 Use appropriate safeguards to prevent use or disclosure of PHI except as permitted by law and the terms of this Agreement;
 - 8.1.3 Report to SBHCD any use or disclosure of PHI not permitted by law or by this Agreement of which Group or Group Staff becomes aware;
 - 8.1.4 Ensure that any employees, subcontractors, or agents to whom Group provides PHI agree to the same restrictions and conditions that apply to Group with respect to such PHI;
 - 8.1.5 Comply with the elements of any compliance program established by SBHCD that applies to the use of or disclosure of PHI;
 - 8.1.6 In accordance with and to the extent required by HIPAA Regulations, (i) make PHI available to the subject patient; (ii) make PHI available 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;
 - 8.1.7 Make 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 SBHCD's and Group's compliance with HIPAA Regulations; and
 - 8.1.8 At termination of this Agreement and after first consulting with SBHCD, if feasible, return or destroy all PHI received from, or created by the other party and retain no copies of such PHI 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 PHI in accordance with this Article.
- 8.2 Electronic Protected Health Information ("EPHI"). In connection with Group's retention and transmittal of EPHI, Group agrees to:

- 8.2.1 Implement safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that Group and Group Staff create, receive, maintain, or transmit on behalf of Hospital and report to Hospital any security incident with respect to EPHI of which Group becomes aware; and
- 8.2.2 Ensure that any agent, including a subcontractor, to whom Group provides EPHI, agrees to implement reasonable and appropriate safeguards to protect such information.
- 8.3 Protected Health Information for Billing. In the event Group utilizes a third party to perform Group's billing and collections services, SBHCD will only directly provide the third party with applicable PHI on the written request of Group identifying the name, address, phone number, email address and contact person of third party. Group shall immediately notify the SBHCD Information Technology Department in writing if services between Group and the identified third party are to be terminated, including the effective date of termination.
- 8.4 Failure of HIPAA Compliance. SBHCD may terminate this Agreement with Group at any time if it determines that Group has violated a material term of this Article after providing Group written notice of the violation and said violation is not cured to the reasonable satisfaction of SBHCD within ten (10) days. The parties' obligations under this Section shall survive the termination of this Agreement.

9. INSURANCE AND LIMITATION OF LIABILITY

- 9.1 Insurance Coverage. Group shall maintain throughout the term of this Agreement, professional liability insurance coverage in the minimum amounts of one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) annual aggregate. Such limits shall be maintained for Group and individually for each Group Staff member. Group shall also maintain applicable state statutory limits for workers' compensation. Group may meet this requirement through qualification under and participation in the California Hospital-Medical Liability Act. In addition to the coverage specifically listed in this Agreement, Group shall maintain any other usual and customary policies of insurance applicable to the work being performed pursuant to this Agreement. Said policies shall cover all of Group's services hereunder, including those of all Group staff. By requiring insurance, SBHCD does not represent that coverage and limits will necessarily be adequate to protect Group, and such coverage and limits shall not be deemed as a limitation on Group's liability. If Group procures a "claims-made" policy to meet the insurance requirements, Group agrees to purchase "tail" coverage upon the termination of any such policy or upon termination of this Agreement. Provided however, that Group's "tail" coverage requirement shall apply only to the extent that Group or its Group Staff are not covered for acts or omissions during the term hereof. Said "tail" coverage shall continue in existence until the longest statute of limitations for professional and general liability for acts committed has expired. Upon request, Group will furnish to SBHCD at least annually or upon renewal, and upon SBHCD' request, a certificate of insurance evidencing all of the herein specified policies of insurance with an insurer and with limits meeting the requirements of this Agreement. Said policies shall be primary with respect to any insurance maintained by SBHCD. Failure to maintain the required insurance, as set forth herein, may result in the immediate termination of this Agreement by SBHCD.
- 9.2 Limitation of Liability. Each party shall be responsible for its own acts and omissions and shall be liable for payment of that portion of any and all claims, liabilities, injuries, suits, 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 and all actions it believes necessary to protect its own interests.

10. RECORD KEEPING REQUIREMENTS

- 10.1 Group shall maintain and provide SBHCD with information and documentation related to its provision of services hereunder as SBHCD may require from time to time. This information and documentation shall include, but not be limited to, the recording and maintenance by Group of time records required by Medicare or by any third-party payor for services provided by Group under this Agreement, and any records deemed relevant, in the sole discretion of SBHCD, for production in accordance with an investigation involving

both SBHCD and Group. SBHCD agrees to keep all such information confidential, other than to the extent required by law.

10.2 Until the expiration of four (4) years following the furnishing of services pursuant to this Agreement, Group 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 the Group that are necessary to certify the nature and extent of costs under this Agreement. This requirement shall adopt and incorporate by reference the applicable provisions of the Social Security Act (Section 1861(v)(1)(I)) with respect to the availability of all books and records. Furthermore, if Group carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period with a related organization (as that term is defined under Federal law), Group agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor.

10.3 The provisions of this Article 10 shall survive expiration or termination of this Agreement.

11. INDEPENDENT CONTRACTOR

11.1 Relationship. Group 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 when due all income, employment and withholding taxes and employment benefits, if any, including estimated taxes, incurred as a result of the compensation paid by SBHCD to Group, by Group to Group's employees for Pathology Services under this Agreement, or by SBHCD to its employees. Each party is responsible for providing, at its own expense, disability, unemployment, workers' compensation and other insurance, training, permits and licenses for itself and for its employees and subcontractors.

11.2 Other Practitioners. Group shall not, by virtue of this Agreement, be responsible for the acts or omissions of, or to supervise the services of, other physicians privileged or authorized to provide professional pathology services at SBHCD, or for the acts of SBHCD staff carrying out the orders of such other physicians or administrators of SBHCD.

11.3 Indemnification. Each party ("indemnifying party") agrees to defend and indemnify the other party ("indemnified party") for any claims, costs, losses, fees, penalties, interest or damages suffered by the indemnified party resulting from indemnifying party's failure or alleged failure to comply with its obligations under this Article 11.

12. SBHCD COMPLIANCE PROGRAM

12.1 Cooperation with Compliance Program. Group acknowledges that SBHCD has implemented a Compliance Program for the purpose of ensuring that the provision of, and billing for, care at SBHCD, including Pathology Services, is in compliance with applicable federal and state laws ("Compliance Program"). Group acknowledges that it has received information relating to such Compliance Program including the SBHCD Code of Ethics. Group agrees to comply with all applicable laws (including but not limited to the Stark Law, the Anti-Kickback Statute, and the No Surprises Act) and adhere to, abide by and support the Compliance Program and policies promulgated therein. Group and Group Pathologists providing services at SBHCD shall participate in training and education sessions relating to the Compliance Program, upon the request of SBHCD.

12.2 Legal Compliance. Each party agrees, represents, and warrants that it is and will maintain full compliance with all federal, state and local laws and regulations applicable to such party, including, without limitation, laws and regulations regarding billing for services at SBHCD. Nothing in this Agreement shall be construed to require Group or any Group Pathologist to make referrals of patients to SBHCD. No payment is made under this Agreement in return for the referral of patients from any party to the other 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 hereunder is not in excess of the fair market value of the services rendered.

- 12.3 Jeopardy to SBHCD. If by written legal opinion (a copy of which shall be provided to Group) SBHCD determines that any act or omission on the part of Group jeopardizes the licensure of Hospital or applicable SBHCD locations, its participation in, payment or reimbursement from, or contractual relationship with, Medicare, state sponsored Medicaid program, Blue Cross or other public or private reimbursement or payment programs, or its full accreditation by The Joint Commission or any other state or nationally recognized accreditation organization, or the tax-exempt status of SBHCD, any of its property or financing (or the interest income thereon, as applicable), or will prevent or prohibit any physician, or any other health care professionals or their patients from referring to Hospital or utilizing SBHCD or any of its services, or if for any other reason said act or omission should be in violation of any statute, ordinance, or be otherwise deemed illegal, or be deemed unethical by any recognized body, agency, or association in the medical or hospital fields, SBHCD may at its option (i) unilaterally amend this Agreement to resolve the matter, or (ii) terminate this Agreement immediately. If Group is not satisfied with the SBHCD amendments to the Agreement, Group may terminate the Agreement immediately on written notice.
- 12.4 Physician Warranties. Upon execution of this Agreement, Group agrees, represents and warrants that it and each of its Group Pathologists: (i) has not been convicted of a criminal offense related to healthcare (unless such individual 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. Group agrees that if a Group Pathologist (i) becomes involved in a pending criminal action for a felony or other criminal action for a fraud related cause of action; (ii) civil proposed debarment or exclusion related to any federal or state healthcare program; (iii) has a loss, suspension or material limitation of licensure or privileges, Group shall immediately notify SBHCD administration and shall remove such Group Pathologist from providing services immediately. In the event Group is excluded from participating in any federal or state healthcare program or if Group fails to remove a Group Pathologist who is subject to any of the foregoing action from rendering service immediately, SBHCD shall have the right to immediately terminate this Agreement upon written notice to Group.

13. DISPUTE RESOLUTION

- 13.1 Special Meeting. In the event of any dispute or disagreement between the parties with respect to Group and/or any Group Pathologist’s professional conduct, performance, or competence in providing Pathology Services at the Hospital, such dispute or disagreement shall be submitted to the Medical Executive Committee of the Hospital’s Medical Staff, in accordance with the procedures set forth in the Medical Staff Bylaws and Rules and Regulations. In the event of any other type of dispute or disagreement between the parties with respect to this Agreement, either party may request in writing for a special meeting for the resolution of the dispute (“Special Meeting”). The Special Meeting shall be held at a mutually agreeable location within ten (10) days of a written request for the meeting, which request shall specify the nature of the dispute to be resolved. The Special Meeting shall be attended by representatives of SBHCD and Group (who may or may not be accompanied by legal counsel, in their respective discretion), who shall attempt in good faith to resolve the dispute and shall have reasonable authority to do so.
- 13.2 Arbitration. If the dispute has not been resolved to either party’s satisfaction through the Special Meeting process described above, the arbitration process shall be utilized and either party may commence arbitration by giving a written notice to the other party demanding arbitration. Arbitration shall be conducted in accordance with the rules of the American Arbitration Association (“AAA”) in the County of Monterey, California. There shall be one impartial third-party arbitrator. The parties shall have the rights of discovery as provided for in Part 4 of the California Code of Civil Procedure and the provisions of Section 1283.05 of the California Code of Civil Procedure are hereby incorporated by reference into this Agreement pursuant to the provisions of Section 1283.1(b) of the California Code of Civil Procedure. The arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages provided by California law, but shall not have the power to award punitive damages. The arbitrator shall prepare in writing and provide to the parties an award including factual findings and the legal reasons upon which the decision is based. The award may be vacated or corrected pursuant to California Code of Civil Procedure Sections 1286.2 and 1286.6. Notwithstanding the foregoing, all decisions of the arbitrator shall be final, binding and

conclusive on all parties' subject to appeal or being set aside only on the grounds set forth in this Section and in the California Code of Civil Procedure, and, except as otherwise set forth in this Agreement, shall be the only method of resolving disputes or matters subject to arbitration pursuant to this Agreement. Notwithstanding this Section, each of the parties hereto shall have the right to apply for and obtain a temporary restraining order or other temporary, interim, or permanent injunctive or equitable relief from a court of competent jurisdiction in order to enforce its rights under the provisions of any part of this Agreement.

- 13.3 Fees/Costs. In the event that any action, including mediation or arbitration, is brought by either party to enforce or interpret the terms of this Agreement, the prevailing party in such action shall be entitled to its costs and reasonable attorneys' fees and costs from the non-prevailing party, in addition to such other relief as the court or arbitrator may deem appropriate.

14. GENERAL PROVISIONS

- 14.1 Assignment. Group may not assign or subcontract any portion of this Agreement without prior written consent of SBHCD. SBHCD may not assign or subcontract any portion of this Agreement without the prior written consent of Group; provided, however, SBHCD may assign this Agreement, in whole or in part, to any entity directly owned or controlled by, or which owns or controls, or which is under common ownership or control, of SBHCD.
- 14.2 Governing Law/Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Jurisdiction and venue shall be in San Benito County, California.
- 14.3 Notices. Service of all notices (including notices of any address changes) under this Agreement shall be sufficient if hand-delivered, mailed to the party involved at its respective address set forth herein, by certified or registered mail, return receipt requested, or sent by nationally recognized overnight courier service, addressed to the appropriate party as follows:
- If to SBHCD: San Benito Health Care District
Attn: Chief Executive Officer
911 Sunset Drive
Hollister, CA 95023
- If to Group: Cytodiagnosics, a Medical Corporation
Attn: Michael McGinnis, M.D.
c/o Pathology and Clinical Laboratory Department
911 Sunset Drive
Hollister, CA 95023
- 14.4 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.
- 14.5 Other Agreements. This Agreement may be one of several between SBHCD and Group dealing with different aspects of their relationship. SBHCD maintains a current master list of all such agreements, together with copies of the actual agreements, that is available for review by the Secretary of the United States Department of Health and Human Services in accordance with the requirements of the Stark law and regulations.
- 14.6 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.
- 14.7 No Third-Party Rights. This Agreement is made solely for the benefit of the parties hereto and their respective and permitted assigns. Nothing herein shall confer any rights or remedies on any persons other

than the parties to it and nothing herein shall relieve or discharge the obligation or liability of any third persons.

- 14.8 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.
- 14.9 Entire Agreement. This Agreement, with attachments, constitutes the entire agreement between the Parties with regard to the subject matter hereof and supersedes all previous agreements, representations, and understandings between or among the parties with regard to the subject matter herein.
- 14.10 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 hereunder, and the statute of limitations shall not commence to run until the time that such obligations have been fulfilled.
- 14.11 Amendments. This Agreement may not be amended unless by mutual agreement of the parties, with such amendment reduced to writing and signed by both parties, except that the Agreement may be unilaterally amended by SBHCD pursuant to Section 12.3(i) of this Agreement. This Agreement cannot be orally amended.

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

SBHCD

San Benito Health Care District

By: _____
Steven M. Hannah, Chief Executive Officer

Date: _____

GROUP

Cytodiagnostics, a Medical Corporation

By: _____
Michael McGinnis, MD, CEO

Date: _____

EXHIBIT A

PATHOLOGY AND CLINICAL LABORATORY SERVICES AND SCHEDULE

1. Coverage. For purposes of this Agreement, “Coverage” shall mean the Group Pathologist is either physically present in the applicable location, or immediately available by telephone and/or pager to arrive promptly but no later than the time provided in the specific Medical Staff Department Rules and Regulations, if applicable, or in the Medical Staff Bylaws, Rules and Regulations.
2. Physically Present. For purposes of this Agreement, “Physically Present” shall mean the Group Pathologist is actually located in the applicable location.
3. Hospital Services.
 - (a) Anatomical Pathology Services. Group shall be Physically Present and provide Anatomical Pathology Services during Normal Business Hours, Monday through Friday, as needed, but not less than fifteen (15) to twenty (20) hours per week when combined with Clinical Pathology/Laboratory Services to fulfill the daily volume demands of the department, and other hours as described below.
 - (b) Clinical Pathology/Laboratory Services. Group shall be Physically Present and provide Clinical Pathology/Laboratory Services during Normal Business Hours, Monday through Friday, not less than two (2) hours per day or as needed to fulfill the daily volume demands of the department, and other hours as described below. Group shall provide coverage for the critical results response process when the ordering physician is not available after Normal Business Hours.
 - (c) Pathology On-Call/After-Hours Coverage. Group shall provide coverage for Pathology Services during non-business hours (“After Hours”) to meet the needs of Hospital, its Medical Staff, and its patients through the After-Hours service. Coverage shall be provided in accordance with the bylaws, policies, rules and procedures of Hospital and its Medical Staff, as they may be amended from time to time, in addition to all requirements imposed by federal and California law and all standards and recommendations of The Joint Commission. Nothing provided herein shall in any way modify Group’s on-call obligations. Group shall schedule Group Pathologists to be available for continuous periods of twenty-four (24) hours. Each month, Group shall provide Hospital and each Group Pathologist with the coverage schedule for the upcoming month. Group Pathologists shall serve as members of an on-call panel on a rotating basis, at such times as shall be determined by Group, to provide coverage and necessary services to in-patients and emergency department patients of Hospital, regardless of payor class.
 - (d) Administrative Services. Group shall provide administrative services as set forth in Section 1.5 of the Agreement and as may be further detailed in the Exhibits to the Agreement.
 - (e) Education and Performance Improvement Support. Group Pathologist shall provide educational in-service to technologists at least four (4) times annually and shall attend Laboratory Department performance improvement meetings monthly.
 - (f) Hospitalist Education Rounds. Group Pathologist shall participate in hospitalist education rounds, as requested, and mutually agreed upon.

EXHIBIT B

COMPENSATION TO GROUP BY SBHCD

1. Technical Component Reimbursement. As Group's sole compensation for such services, SBHCD shall reimburse Group at the current Medicare rate as outlined in Exhibit B-1 and as full compensation for all technical component services provided to SBHCD by Group, in accordance with accurate and detailed invoices submitted by Group.
2. Compensation for Medical Director Services. SBHCD shall compensate Group for medical director services provided to SBHCD as outlined in Exhibit E of this Agreement in the amount of Three Thousand Six Hundred Dollars and No Cents Dollars (\$3,600) per month. The time report for documenting medical director activities, included as Exhibit E-2 of this Agreement, shall be completed and submitted within ten (10) days of the conclusion of each month.
3. The Parties agree that the compensation provided by SBHCD is reasonable, not in excess of fair market value, is lawful, and is not intended to induce referrals.

EXHIBIT-1**TECHNICAL COMPONENT FEE SCHEDULE**

CPT	PROCEDURE NAME	TC FACILITY
76098	RADIOLOGICAL EXAMINATION,SURGICAL SPECIMEN	\$ 35.94
88104	CYTOPATHOLOGY, SMEAR WITH INTERPRETATION	\$ 56.00
88108	CYTOPATHOLOGY CONCENTRATE W/ INTERPRETATION	\$ 59.00
88172	FINE NEEDLE ASPIRATE 1ST EVAL	\$ 27.00
88173	FINE NEEDLE ASPIRATE PATHOLOGIST	\$ 122.00
88177	FINE NEEDLE ASPIRATE 2ND EVAL	\$ 10.00
88300	GROSS EXAM LEVEL 1	\$ 15.00
88302	GROSS AND MICROSCOP L2	\$ 35.00
88304	GROSS AND MICROSCOP L3	\$ 42.00
88305	BIOPSY	\$ 48.00
88305	GROSS AND MICROSCOP L4	\$ 48.00
88307	GROSS AND MICROSCOP L5	\$ 287.00
88309	GROSS AND MICROSCOP L6	\$ 410.00
88311	DECALCIFICATION	\$ 12.00
88312	GIEMSA STAIN	\$ 122.00
88312	GOMORI'S METHENAMINE STAIN	\$ 122.00
88312	PERIODIC ACID-SCHIFF-DISTASE STAIN	\$ 122.00
88313	ELASTIC STAIN	\$ 97.00
88313	IRON STAIN	\$ 97.00
88313	MUCICARMINE STAIN	\$ 97.00
88313	TRICHROME STAIN	\$ 97.00
88331	FROZEN SECTION	\$ 57.00
88332	FROZEN SECTION,ADDITIONAL	\$ 34.00
88333	CYTOLOGY TOUCH PREP	\$ 45.00
88341	IHC ANTIBODY SLIDE	\$ 85.00
88342	AE1/AE3 STAIN	\$ 94.00
88342	CA 125 STAIN	\$ 94.00
88342	CA 19-9 STAIN	\$ 94.00
88342	CALPONIN STAIN	\$ 94.00
88342	CALRETININ STAIN	\$ 94.00
88342	CD10 STAIN	\$ 94.00
88342	CD45 LCA STAIN	\$ 94.00
88342	CD56 STAIN	\$ 94.00
88342	CD68 STAIN	\$ 94.00
88342	CD7 STAIN	\$ 94.00
88342	CEA MONO STAIN	\$ 94.00
88342	CK 17 STAIN	\$ 94.00
88342	CK 18 STAIN	\$ 94.00
88342	CK 20 STAIN	\$ 94.00
88342	CK 5/6 STAIN	\$ 94.00

88342	CK HMW STAIN	\$ 94.00
88342	E-CADHERIN BREAST PANEL	\$ 94.00
88342	E-CADHERIN STAIN	\$ 94.00
88342	EMA	\$ 94.00
88342	ER BREAST PANEL	\$ 94.00
88342	HER2/C-ERB-2 BREAST PANEL	\$ 94.00
88342	HPV STAIN	\$ 94.00
88342	KI-67 BREAST PANEL	\$ 94.00
88342	P53 STAIN	\$ 94.00
88342	PR BREAST PANEL	\$ 94.00
88360	ESTROGEN RECEPTOR ASSAY	\$ 112.00
88360	PROGESTERONE RECEPTOR ASSAY	\$ 112.00
88361	ESTROGEN RECEPTOR IMMUNOCYTOCHEMICAL ASSAY	\$ 108.00
88369	HER2/NEU	\$ 117.00
89060	CRYSTAL IDENTIFICATION	\$ 7.33

EXHIBIT C

DESIGNATION OF PROVIDERS

1. Michael McGinnis, MD
2. John Jameson, MD

EXHIBIT D

APPROVED ACTIVITIES

1. SBHCD acknowledges receiving written notice that Group is providing professional services as follows:
 - A. Stockdale Pathology (remote)
 - B. Norcal Pain Center
 - C. Take-2 (remote)

2. Group agrees that the above services shall not interfere with the provision of Pathology Services at SBHCD and SBHCD resources shall not be used in the provision of any services Group provides outside of SBHCD.

EXHIBIT E

MEDICAL DIRECTOR OF PATHOLOGY AND CLINICAL LABORATORY SERVICES

I. Operates and directs the Pathology Services in accordance with the following:

- A. The standards of The Joint Commission and other accrediting bodies
- B. The Bylaws, Rules and Regulations of the Medical Staff
- C. Hospital Bylaws, Rules and Regulations, Policies and Procedures
- D. Federal, state and local agency requirements

II. General Statement of Duties:

The Medical Director of Pathology and Clinical Laboratory Services (“Medical Director”), or designee, shall be responsible for clinical oversight of all Pathology Services, providing a minimum of two hundred forty (240) hours of service annually in fulfillment of Medical Director duties. Hours of service shall be documented on the Medical Director Monthly Time Sheet, attached as Exhibit E-2 of this Agreement, and submitted to the SBHCD administrative director responsible for the Department.

III. Administrative and Clinical Duties:

A. Daily Operations. Medical Director or designee shall be available to advise on the daily operations of the Department, including but not limited to, the provision of Pathology Services. Specifically, the Medical Director, or designee, shall:

- 1. Participate in Performance Improvement Committee Meetings every month or as scheduled.
- 2. Provide physician leadership to strive to maintain a financially sound and clinically advanced Department.
- 3. Provide assistance for and facilitate the maintenance of the licensing and accreditation status for The Joint Commission and other regulatory or accreditation entities as applicable. With SBHCD support and cooperation, develop and implement policies, procedures and protocols that guide and support the Department to assure efficient delivery of accessible services of high quality.
- 4. Work with SBHCD administration to gather information and input regarding quality improvement initiatives.
- 5. Assess and recommend resources and equipment needed; however, the SBHCD shall retain the ultimate decision-making authority for the Department.
- 6. Act as Department Physician liaison with members of the Hospital Medical Staff.
- 7. Serve as Medical Director of clinical laboratory.
- 8. Participate in continuing education programs for physician, community, and support groups, including teaching rounds, clinical review, and education to the SBHCD hospitalist physicians.
- 9. Other duties as reasonably requested by SBHCD and as consented to by Group.

B. Equipment. Medical Director shall be responsible for advising on the proper and efficient use of equipment and materials within the Department, including monitoring and recommending the repair or replacement of such equipment as needed. In addition, Medical Director, or designee, shall be aware of developments in new equipment technology and make recommendations to SBHCD with respect to procurement of new equipment.

C. Policies and Procedures. Medical Director shall consult with and assist SBHCD with developing, maintaining, implementing, and updating as necessary the policies and procedures for the effective operation of the Department. These policies and procedures shall be consistent with applicable

licensing regulations and Hospital policies and procedures, and shall promote high quality patient care, standardization of procedures, efficiency of scheduling, and highly trained professional and technical personnel. Policies shall be approved by the Board of Directors, and procedures shall be approved by Administration and the Medical Staff where appropriate. The Medical Director shall assist in the development and implementation of Department policies and procedures and implement methods to improve SBHCD operations and procedures. In addition, Medical Director shall assist in the design and development of patient information forms, medical record forms, and consent forms for use within the Department.

- D. **Physician Scheduling.** The Medical Director shall review the services/coverage schedule established by Group to ensure that it complies with the requirements of this Agreement.
- E. **SBHCD Liaison.** Medical Director shall meet at least quarterly with SBHCD administration and shall be reasonably available and physically present to consult with SBHCD administration regarding the administration of the Department.
- F. **Personnel.** Medical Director shall advise SBHCD in recruiting, evaluation, and retention of personnel as requested by SBHCD.
- G. **Training and Education.** Medical Director shall consult with and, when appropriate, assist in the continuing education and training of SBHCD personnel, and, to the extent possible within the boundaries of the maximum hourly contractual obligation, shall assist in the development and evaluation of such continuing education materials and instruction as necessary to properly instruct members of SBHCD medical, nursing, and allied health professional staffs, as well as other employee groups deemed appropriate by SBHCD and Group.
- H. **Budgets.** Upon request of SBHCD, Medical Director shall assist SBHCD administration in the development of operating and capital expenditure budgets for the proper and efficient operation of the Department. Medical Director shall assist SBHCD in operating the Department, efficiently and in accordance with approved budgets and shall exercise diligence in keeping controllable costs of the Department to a minimum. In addition, Medical Director shall participate in cost reduction programs for the Department, but only if medically appropriate.
- I. **Operational Efficiencies.** Medical Director shall work closely with administrative management of the Department, the *Chief Executive Officer*, and the *Chief Medical Officer* to assess and improve Department operations and customer (referring physicians and patients) satisfaction, including development and maintenance of a data base and statistical analysis of utilization, efficiency and cost associated with the Department.
- J. **Planning.** Upon request of SBHCD, Medical Director shall participate in SBHCD planning processes as it relates to the operation and marketing of the Department.
- K. **Quality Improvement.** In cooperation with SBHCD formal quality improvement programs, Medical Director shall assist in the development and implementation of appropriate quality improvement and risk management activities for the Department. The Medical Director shall monitor utilization and quality of services. Medical Director shall review clinical data and quality indicators related to the operation of the Department with SBHCD on at least a *bi-annual* basis. These activities shall be conducted through the Hospital Medical Staff committee structure for Department; nothing in this Agreement is intended to affect the privileges and immunities that attend such Medical Staff activities.
- L. **Peer Review.** Medical Director shall participate in Hospital peer review process as appropriate or as requested by SBHCD or the Medical Staff.
- M. **Compliance.** Medical Director shall participate in SBHCD procedures for monitoring and conducting routine audits, including but not limited to conducting an initial evaluation when a Group Pathologist first joins the Group and an annual audit of a sample of each Group Pathologist's cases, to measure Group Pathologists' compliance with documentation, billing and coding requirements, and other requirements under the Medicare, Medi-Cal and other state and federal laws and regulations.

- N. **Satisfaction with Services.** Medical Director shall participate in SBHCD programs to improve patient and customer service satisfaction within the Department. This program shall include conducting annual or more frequent surveys of physicians, patients, and SBHCD staff members that utilize Pathology Services.
- O. **Reimbursement.** Medical Director shall cooperate with SBHCD as needed to provide information necessary for the preparation of claim forms for reimbursement, and of other appropriate reports on the operation of the Department.
- P. **Committees.** Medical Director shall participate, as appropriate, on SBHCD and Medical Staff committees at the request of the Group, SBHCD or the Medical Staff. Medical Director shall actively participate in discussions regarding patient flow issues related to operating rooms.
- Q. **Other Responsibilities.** Medical Director shall perform such other responsibilities as reasonably necessary for the proper operation of the Department.
- R. **Annual Assessment.** Medical Director shall meet with Hospital administration and the appropriate Medical Staff representative (“Hospital Leadership”) at least annually to review Medical Director’s performance of duties outlined in this agreement. Hospital Leadership will make a determination whether Medical Director meets expectations and will provide written feedback to support the determination using the Medical Director Contract Evaluation in Exhibit E-1 of this Agreement.

IV. **Qualifications:**

- Shall be Board Certified in Anatomical and Clinical Pathology.
- Shall be an active member of the Medical Staff.
- Must be endorsed by Group and SBHCD Administration.
- Must possess excellent written and oral communication skills.
- Must be of strong character, able to work independently as well as with others in a cooperative, team-building fashion and know which will be most effective in a wide range of circumstances.

EXHIBIT E-1

Pathology Services Medical Director Contract Evaluation

Contract Period: _____

Evaluator Name: _____

Evaluator Title: *Chief Medical Officer*

Medical Director Name: _____

Standards of Performance

Each section rated for compliance with contractual expectations using the scale provided below:

1 – Unacceptable

4 – Exceeds Standards

2 – Below Standards

5 – Outstanding

3 – Satisfactory

Expectations	Definition	Rating
Timely Response to Requests	<ul style="list-style-type: none">• Completes contractual needs and requests in a timely manner	
Quality of Services	<ul style="list-style-type: none">• Is consistent, accurate and thorough	
Accountability/Dependability	<ul style="list-style-type: none">• Is willing and available to carry out assignments and be accountable for results• Treats staff with respect	
Initiative	<ul style="list-style-type: none">• Takes action to improve work performance• Seeks out new ideas and offers suggestions• Is open to new ideas and ways of doing things	
Communication	<ul style="list-style-type: none">• Exhibits effective communication skills• Listens well and responds appropriately, expresses oneself effectively• Conveys messages thoroughly and accurately	
Professionalism/Leadership	<ul style="list-style-type: none">• Maintain appropriate demeanor and language• Is a positive representative of the organization• Adheres to organizational policies and procedures• Exhibits flexibility, adaptability and creates vision• Compels action	

Comments

Evaluator Signature: _____

Date: _____

Medical Director Signature: _____

Date: _____



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

**Thursday, May 19, 2022
4:00 P.M. – Hybrid Zoom Meeting**

MINUTES

PRESENT: Jeri Hernandez, Board President
Bill Johnson, Board Secretary
Steven Hannah, Chief Executive Officer
Mark Robinson, VP/Chief Financial Officer
Barbara Vogelsang, VP/Chief Clinical 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 4:01p.m. via Hybrid Zoom.

II. REVIEW OF MINUTES:

The minutes of the District's Facilities & Service Development Committee of April 21, 2022, were reviewed.

III. MASTER PLAN:

- SPC-4d Seismic Part of Master Plan

Adrian F. reported that he met with the AOR regarding the time line of reports needed.

1) 2024 – Contingency plan due

2) 2026 – Report if the current Hospital is going to be updated to be structurally sound or build a new Hospital.

3) 2028 – Construction plan due

Steve H. reported that there is legislation being proposed to extend to 2037 but at this point the deadline is 2030.

IV. UPDATE ON CURRENT PROJECTS:

- Acute Roof Replacement:

Adrian F. reported that the project is 40% complete with no issues to report at this time.

- Northside SNF Chiller Replacement:

Mark R. reported that they will be purchasing a new chiller. Originally \$160,000 was allocated for repair and now it's coming out to be under \$90,000 to replace it.

V. CURRENT PROJECTS ON HOLD:

- Grounds Maintenance:

Adrian F. reported that the hillside located on Airline Hwy. has been mowed per weed abatement instructions from the Hollister Fire Department and he will be meeting with the Landscaper to get ideas for a drought tolerant ground cover. This project will be moved to the "Other Projects" section.

- CAT Scanner:
Mark Robinson reported that this project is currently on hold as there is a possibility that a new CT Scanner will be installed at the new Maple Street building.

VI. OTHER PROJECTS:

- Northside Nurses Station Refresh:
Adrian F. reported that it is scheduled to be installed on Tuesday, May 31ST.
- Parking:
 - a. Reseal Parking Lot;
Adrian F. reported that he is awaiting bids to fix the bad sections and resurface the entire parking lot.
 - b. Parking Lot Stop Sign
Adrian F. reported that some of the parts are on back order.
- Acute Patient Room Refresh:
Adrian F. reported that 10 rooms have been completed.
- Front Hospital Spruce Up Projects:
 - a. Front Flag Pole Landscaping; Adrian F. reported that this project has been completed.
 - b. Landscape Rock; Adrian F. reported that the proposal submitted to the Foundation was high to add rock to the ED courtyard. He will get a proposal to redo the sprinkler system and add ground cover.
- Office Refresh for General Surgeons:
Adrian F. reported that the plans have been received and sent to the City for permitting.
- Maple Street Building:
Adrian F. reported that this project is in the planning stages. Steve H. requested to invite Amy L. to the next meeting so that a full update can be reported. He reported that TreanorHL is doing the programming with a local firm to be the AOR.

VII. OPEN DISCUSSION:

VIII. ADJOURNMENT:

There being no further business, the meeting was adjourned at 4:23PM.