



Hazel Hawkins
MEMORIAL HOSPITAL

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, AUGUST 26, 2021
5:00 P.M. – Zoom Meeting
(TO BE HELD DURING COVID-19 EMERGENCY)**

This meeting will be held via teleconference only in order to reduce the risk of spreading COVID-19 and pursuant to the Governor’s Executive Orders N-25-20 and N-29-20 and the County of San Benito Public Health Officer’s Safer at Home Order (issues March 31, 2020). All votes taken during this teleconference meeting will be by roll call vote, and the vote will be publicly reported.

HOW TO VIEW THE MEETING: No physical location from which members of the public may observe the meeting and offer public comment will be provided. Members of the public may participate in the public meeting via the Zoom link below.

HOW TO PARTICIPATE BEFORE THE MEETING: Members of the public may submit email correspondence to lgarcia@hazelhawkins.com up to two (2) hours before the meeting begins.

HOW TO PARTICIPATE DURING THE MEETING: Members of the public may also speak during the meeting through the Zoom application during the public comment time period as noticed on the agenda. Comments are limited to three (3) minutes.

**Phone Number: 1+ (669) 900-6833
Meeting ID: 931 6668 9955
Passcode: 564382**

AGENDA

Presented By

1. **Call to Order/Roll Call**
2. **Closed Session** (pgs. 1-3)
(See Attached Closed Session Sheet Information)
3. **Reconvene Open Session/Closed Session Report** (estimated time 5:30 P.M.)

Hernandez

4. **Public Comment**
This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on matters within the jurisdiction of this District Board which are not otherwise covered under an item on this agenda. Written comments for the Board should be provided to the Board clerk for the official record. Board Members may not deliberate or take action on an item not on the duly posted agenda.

5. **Consent Agenda—General Business** (pgs. 4-13)

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

- A. Minutes of the Meeting of the Board of Directors, July 22, 2021.
- B. Minutes of the Special Quality Practice Committee Meeting, July 28, 2021.
- C. Minutes of the Special Quality Practice Committee Meeting, August 11, 2021.
- D. Minutes of the Special Meeting of the Board of Directors, August 13, 2021.
 - Report
 - Board Questions
 - Motion/Second
 - Public Comment
 - Action/Board Vote-Roll Call

6. **Report from the Medical Executive Committee** (pgs. 14-23)

A. Medical Staff Credentials:

Bogey

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

B. Medical Staff Synopsis.

C. **Consider Approval for Medical Staff Policy – Ongoing Professional Practice Evaluation (OPPE).**

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

D. **Consider Approval for Medical Staff Policy – Focused Professional Practice Evaluation (FPPE).**

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

7. **President/Chief Executive Officer**

Hannah

A. Chief Executive Officer Report (pgs. 24-28)

B. Board Education

Matt Ottone

○ Redistricting of SBHCD

C. Director Reports

- Chief Operating Officer/VP Human Resources (pg. 29)
- Patient Care Services (Acute Facility) (pgs. 30-31)
- Provider Services & Clinic Operations (pg. 32)
- Skilled Nursing Facilities Reports (Mabie Southside/Northside) (pgs. 33-37)

- Home Health Care Agency (pgs. 38-39)
- Laboratory (No Report)
- Marketing (pg. 40)
- Hazel Hawkins Memorial Hospital Auxiliary/Volunteer Services (pg. 41)
- Foundation Report (pgs. 42-45)

Shelton /
Robinson

8. **Report from the Finance Committee** (pgs. 46-57)

A. Finance Committee Minutes

1. Minutes of the Meeting of the Finance Committee, August 19, 2021.

B. Finance Report/Financial Statement Review

1. Review of Financial Report for July 2021.
2. Financial Updates
 - A. Finance Dashboard
 - B. Bad Debt (Uncompensated Care) – August 2021 write-off
 - C. CHFFA Loan Discussion

9. **Recommendations for Board Action** (pgs. 58-81)

A. Contracts:

- a. Consider Approval for 930 Sunset Drive, Suite B Lease Agreement with San Benito County.

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

B. Policies:

- a. Consider Approval for Spending Limits, Fair Market Value, and Physicians Services Contract Policy and Procedure.

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

C. Physician Contracts:

- a. Consider Approval of Terms and Conditions for General Surgery Professional Services Agreement for Bunry Pin, D.O. – General Surgery.

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

- b. Consider Approval of Physician Recruitment Agreement for Ryan Gerry, MD – General Surgery.

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

11. **Report from the Facilities Committee** (pgs. 82-83)

A. Minutes of the meeting of the Facilities Committee Meeting, August 19, 2021.

Robinson

12. **New Business** (pgs. 84-85)

A. Consider Approval of Resolution No. 2021-07 Of San Benito Health Care District Authorizing Execution And Delivery Of A Loan And Security Agreement, Promissory Note, And Certain Actions In Connection With The California Health Facilities Financing Authority Help II Loan Program.

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

13. **Adjournment**

The next Regular Meeting of the Board of Directors is scheduled for **Thursday, September 23, 2021**, at 5:00 p.m., a virtual meeting via Zoom (to be held during COVID-19 Emergency).

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

AUGUST 26, 2021

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): _____

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

Consultation with: (Specify name of law enforcement agency and title of officer): _____

PUBLIC EMPLOYEE APPOINTMENT
(Government Code §54957)

Title: (Specify description of position to be filled): _____

PUBLIC EMPLOYMENT
(Government Code §54957)

Title: (Specify description of position to be filled): _____

PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Government Code §54957)

Title: (Specify position title of 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:

Employee organization:

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):
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 of the Medical Staff Quality and Safety Committee
2. Report of the Medical Staff Credentials Committee
3. Report of the Interdisciplinary Practice Committee

CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW (Government Code §54956.86)

(No additional information is required to discuss a charge or complaint pursuant to Section 54956.86.)

ADJOURN TO OPEN SESSION

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
VIA TELECONFERENCE**

**THURSDAY, JULY 22, 2021
MINUTES**

HAZEL HAWKINS MEMORIAL HOSPITAL

Directors Present Via Teleconference

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

Also, Present Via Teleconference

Steven Hannah, Chief Executive Officer
Mark Robinson, Chief Financial Officer (Absent)
Jordan Wright, Chief Operating Officer
Marie Iverson, Chief Clinical Officer
Laura Garcia, Executive Assistant
Dr. Bogey, Chief of Staff
Matt Ottone, District Legal Counsel

1. **Call to Order**
Board President, Jeri Hernandez called the meeting to order at 5:00 p.m., via teleconference and attendance was taken by roll call.
2. **Closed Session**
The Board of Directors went into a closed session at 5:02 pm regarding Conference with Labor Negotiator.
3. **Reconvene Open Session/Closed Session Report**
The Board of Directors reconvened into Open Session at 5:22 pm, Board President, Jeri Hernandez reported that in Closed Session the Board received a Report from Jordan Wright and Steve Hannah regarding California Nurses Association and that no action was taken by the Board of Directors in Closed Session.
4. **Board Announcements**
Director Hernandez announced that the ACHD 69th Annual Meeting is scheduled for September 22 - 23, 2021. The proposal to move the date for the Board meeting in September has been tabled to August.
5. **Public Comment**
No public comment to report.
6. **Consent Agenda-General Business**
Director Hernandez presented the Consent Agenda and requested a motion to approve the minutes of the District Board of Directors meeting from June 24, 2021.

Item: Minutes of the Meeting of the Board of Directors, June 24, 2021.
No Public Comment

MOTION: The Board of Directors moved to approve the minutes of the District Board of Directors meeting from June 24, 2021, and was seconded. Moved/Seconded/and Unanimously Carried. Ayes: Casillas, Hernandez, Shelton, Sanchez. (Roll Call)

Item: Policy No. 29 Public Records Request.

No Public Comment.

MOTION: The Board of Directors moved to approve Policy No. 29 Public Records Request, and was seconded. Moved/Seconded/and Unanimously Carried. Ayes: Hernandez, Shelton, Sanchez, Casillas. (Roll Call)

7. **Report from the Medical Executive Committee:**

Credentials Report: Chief of Staff Dr. Bogey presented the Credentials Report from July 2021. One (1) New Appointment, Five (5) Reappointments, One (1) Additional Privileges, and One (1) Change of Status/Department.

No public comment.

MOTION: The Board of Directors moved to approve the July 2021 Credentials Report “One (1) New Appointment, Five (5) Reappointments, One (1) Additional Privileges, and One (1) Change of Status/Department, and was seconded. Moved/Seconded/and Unanimously Carried. Ayes: Sanchez, Casillas, Shelton, Hernandez. (Roll Call)

Medical Staff Synopsis: Dr. Bogey, Chief of Staff provided a summary of the Medical Executive Committee Report. He indicated that Dr. Sinja is the new Chief of Surgery and also welcomed Jocelyn Jones as the new Director of Surgical Services. He also stated that VEP Healthcare is now US Acute Care Solutions. The ED department is looking into getting ED Techs to help in the ER to help do splinting, IV lines, and to assist the nurses.

The full report can be found as part of the Board packet.

8. **Report from the Chief Executive Officer**

Mr. Hannah provided some highlights on a few of the Director’s reports.

The report from the clinic volumes shows some improvement. He also indicated that the SNFs are still waiting for their CMS/State Title 22 Annual Survey which has been delayed by several months. He also pointed out that the Foundation will be planning another gourmet dinner pick-up, due to ongoing precautions with COVID-19, and Mr. Hannah concurred with them.

Board Education

Board Education was not provided this month.

CEO Report:

Mr. Hannah provided a summary on the following:

- The Joint Commission Accreditation Survey
- Executive Positions
- Strategic Plan and Physician Recruitment
- Corporate Compliance Plan
- Legal Counsel District Activities
- Provider Agreements

5.

- Legislative Collaboration Efforts

Mr. Hannah stated that The Joint Commission responses from the survey back in June are due no later than August 13th. He stated that it is not uncommon for hospitals to have several deficiencies to respond to. Mr. Hannah also reported that The Joint Commission surveyors came this week for the Laboratory and the exit meeting occurred today before the Board meeting. He also stated the Jocelyn Jones was selected as the OR, Director of Clinical Services through a thorough interview process and felt that she was a stronger fit.

Mr. Hannah announced Marie's 6-month notice of resignation and thanked her for the work she has done. Preparations are being taken to transition her role to a new leader over the next several months.

Mr. Hannah reported that there was positive dialogue with Kaiser Permanente when they had their on-site visit to the District, and Dr. Bogey, Marie, and Jordan also took part in the meeting. Director Casillas thanked Administration for their strategy to network with other organizations.

Director Reports

- Chief Operating Officer/VP Human Resources
- Patient Care Services
- Provider Services & Clinical Operations
- Skilled Nursing Facilities Reports (Mabie Southside/Northside)
- Home Health Care Agency
- Laboratory
- Marketing
- Hazel Hawkins Memorial Hospital Auxiliary/Volunteer Services
- Foundation Report

A full report can be found as part of the Board packet.

9. **Report from the Finance Committee**

Minutes of the meeting of the Finance Committee from July 15, 2021. Mr. Hannah provided a summary of the financial dashboard for June 2021.

A. **District Financial Statements – June 2021**

A complete financial summary has been attached to the Board packet.

B. **Financial Updates**

Updates on the following and are included in the packet:

- a) **Finance Dashboard**
- b) **Supplemental Funding**
- c) **Bad Debt (uncompensated Care) – July 2021 Write-Off.**
- d) **FYE 06/30/2022 Insurance Renewals**

10. **Recommendation for Board Action**

A. **Contracts**: No contracts to approve.

B. **Capital**: No capital to approve.

C. **Physician Contracts**: No physician contracts to approve.

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

A. Minutes of the meeting of Facilities Committee Meeting, July 15, 2021.

The full report is provided in the Board packet from July 15, 2021.

12. **New Business**

Item: **Consider Approval of Terms and Conditions for Ryan Gerry, MS – General Surgery.**

No Public Input.

MOTION: The Board of Directors moved to approve the Terms and Conditions for Ryan Gerry, MS – General Surgery, and seconded. Moved/Seconded/ and Unanimously Carried. Ayes: Sanchez, Shelton, Casillas Hernandez. (Roll Call)

13. **Adjournment:**

There being no further regular business or actions, the meeting was adjourned at 6:03 p.m.

The next Regular Meeting of the Board of Directors is scheduled for **Thursday, August 26, 2021**, at 5:00 p.m., via teleconference only to reduce the risk of spreading COVID-19, and under the Governor's Executive Orders N-25-20, and the County of San Benito Public Health Officer's Safer at Home Order.

**SPECIAL MEETING
SAN BENITO HEALTH CARE DISTRICT**

**DISTRICT QUALITY PRACTICE COMMITTEE
WEDNESDAY, JULY 28, 2021
3:30 PM - SUPPORT SERVICES BUILDING
GREAT ROOM – 2ND FLOOR
&
Tele-Conference**

MINUTES

Present:

Jeri Hernandez, Board President
Bill Johnson, Board Secretary (Absent)
Steven Hannah, CEO
Marie Iverson, CCO
Dr. Bogey, Chief of Staff
Camille Andronache, Q&RM Director
Anita Frederick, Director of Home Health
Stephan Schwarzwaelder, Director of Clinical Services

Also Present Via Teleconference: Jordan Wright, COO, VP HR

I. Reading of the Notice of Special Meeting:

II. Call to Order:

The Special Meeting of the District Quality Practice Committee was called to order by Board President, Jeri Hernandez at 3:31 a.m.

The review and approval of minutes from March 10, 2021 of the Quality Practice Committee has been tabled for the next Regular Quality Practice Committee Meeting in September, 2021.

III. Closed Session:

The District Quality Practice Committee went into a closed session at 3:32 pm regarding Medical Staff Quality and Safety Committee.

IV. Reconvene Open Session/Closed Session Report:

The Quality Practice Committee reconvened into Open Session at 4:30 pm, Board President, Jeri Hernandez reported that in Closed Session the Board received a Report from Stephan Schwarzwaelder regarding Report of the Medical Staff Quality and Safety Committee and that no action was taken by the Board of Directors in Closed Session.

IV. Adjournment:

There being no further regular business, the meeting was adjourned at 4:31 pm.

**SPECIAL MEETING
SAN BENITO HEALTH CARE DISTRICT**

**DISTRICT QUALITY PRACTICE COMMITTEE
WEDNESDAY, AUGUST 11, 2021
3:00 PM - SUPPORT SERVICES BUILDING
GREAT ROOM – 2ND FLOOR
&
Tele-Conference**

MINUTES

Present:

Jeri Hernandez, Board President
Bill Johnson, Board Secretary
Steven Hannah, CEO
Marie Iverson, CCO (Absent)
Dr. Bogey, Chief of Staff (Absent)
Camille Andronache, Q&RM Director
Anita Frederick, Director of Home Health
Stephan Schwarzwaelder, Director of Clinical Services
Joan Rogers, Director of Medical Staff
Laura Garcia, Executive Assistant

Also Present Via Teleconference: Jordan Wright, COO

I. Call to Order:

The Special Meeting of the District Quality Practice Committee was called to order by Board President, Jeri Hernandez at 3:00 pm.

II. Review Approval of Policies

Stephan, Director of Clinical Services, presented the Policy/Procedure summary of the changes from The Joint Commission Survey 2021. There were 14 total policies that were either revised or created new. Mr. Hannah stated that the purpose of the Quality Committee is to review data, provide guidance to management for prioritizing Quality initiatives and informing the whole Board about important Quality information.

Joan Rogers, Director of Medical Staff Services, also presented two (2) policies on Ongoing Professional Practice Evaluation (OPPE) and Focused Professional Practice Evaluation (FPPE). She indicated that the new policies will help establish bench marks and provide the data that is requested. Director Johnson asked the question about who establishes the benchmarks and Joan informed him that the Medical Staff determines the benchmarks and criteria for the group. Joan also informed the committee that the plans were created as a response to The Joint Commission Survey.

Mr. Hannah stated that the District will have to move toward having more employees or systems to help retrieve all the proper data. The committee is waiting on proposals for the data systems that they have looked at that will help with the data retrieval.

Stephan requested approval from the committee to move forward with the revised and new policies that were presented, and they will also be taken to the Board of Directors meeting for final approval.

Director Hernandez and Director Johnson approved the revised and new policies presented and recommended they go to the Board of Directors for final approval.

III. Closed Session:

The Board of Directors went into a closed session at 3:45 pm regarding Hearing Reports – Reports of the Medical Staff Quality and Safety Committee.

IV. Reconvene Open Session/Closed Session Report:

The Quality Practice Committee reconvened into Open Session at 4:06 pm, Board President, Jeri Hernandez reported that in Closed Session the Board received a Report from Stephan Schwarzwaelder regarding Report of the Quality Practice Committee Regarding The Joint Commission Survey, and that no action was taken by the Board of Directors in Closed Session.

V. Adjournment:

There being no further regular business, the meeting was adjourned at 4:07 pm.

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
VIA TELECONFERENCE**

AUGUST 13, 2021

MINUTES

Present Via Teleconference:

Jeri Hernandez, President
Mary Casillas, Vice President
Rick Shelton, Treasurer
Bill Johnson, Secretary
Josie Sanchez, Assistant Secretary

Also Present Via Teleconference:

Steven Hannah, Chief Executive Officer
Jordan Wright, Chief Operating Officer
Mark Robinson, Chief Financial Officer
Laura Garcia, Executive Assistant
Gary Ray, District Legal Counsel

I. Reading of the Notice of Special Meeting:

Director Hernandez read the Notice of the Special Meeting.

II. Call to Order:

Director Hernandez called the San Benito Health Care District Special Meeting of the Board of Directors to order at 1:00 pm.

III. Purpose of Meeting; Report and Discussion Regarding COVID-19 Mandates:

Mr. Hannah provided an update on the latest data from CDC website regarding the National and State level infection rate for COVID-19. He also reviewed the San Benito County COVID-19 vaccination rate which is still under the national average of 50 percent.

Mr. Hannah also provided an update of the San Benito County Public Health bi-weekly data which was updated on Thursday, August 12, 2021 at 3:00 pm. The data showed that the most infections are from the Delta and Epsilon variant.

Director Casillas asked if the ages of hospitalizations correspond to the national average being lower. Mr. Hannah stated that we don't have the accurate age brackets but the Emergency Department providers are saying that they are seeing the younger group, ages 20 to 50 years of age and those are mainly unvaccinated patients. Director Casillas also asked if the District is doing something to push the rates of vaccinations in the

community. He replied that we did receive a grant for our clinics to educate the community even more on vaccinations. There is a continuation of work with the Public Health Department with their efforts, and the Health Foundation is still vaccinating their patients.

Director Sanchez asked if there is information advertised that the District is trying to get the community vaccinated. Mr. Hannah stated that the efforts are primarily through the clinics, and the Health Foundation is working on the migrant communities, San Juan Bautista and the rest of our county. There is a lot of information being circulated between the Health Foundation, Public Health, Hazel Hawkins Memorial Hospital, and the other vaccine partners.

Director Shelton stated that he had heard that the county has had an incentive program of half a million dollars to get vaccinated. Mr. Hannah stated he could not speak to that directly unless someone else has more information on that. He said he is aware there are some employers providing incentives and the District is contemplating what the organization can do to help encourage employees to be vaccinated.

Mr. Hannah stated that the District received a current AFL addressing testing and visitation, these AFLs come from the California Department of Public Health (CDPH). Weekly testing required for unvaccinated HealthCare Personnel (HCP). This became effective August 13-23rd.

Mr. Hannah provided information regarding the visitor vaccine status mandate. He indicated that the District opted for a "no visitor" policy. An image of the process chart that was provided by CDPH was extensive and would add unwanted expenses to the District.

Mr. Hannah stated that on August 5, 2021, California hospitals received a State Health Order vaccine mandate for HealthCare Personnel. The District is still waiting for further details from an AFL. The mandate indicates that all HCP are to receive the COVID-19 vaccination by September 30, 2021. There will be two declinations that will be allowed/accepted which are for religious beliefs or a Qualified Medical Condition (QMC). Mr. Wright indicated that the mandate applies to all employees, medical staff (hospital), volunteers and contracted staff. He also said that there has been communication with the District's legal counsel to address the declination process. Anne Olsen has been working with Mr. Wright to address how providers and employees will be handled if they refuse to be vaccinated and refuse to fill out a declination with the two declinations that will be allowed. Employees that are unvaccinated will have to test twice weekly 48-hours apart. If an employee is part-time and work only once a week they only need to test once a week. If an employee is called in for a shift that is unvaccinated, they will be required to show a negative test within 48-hours of the shift. Moving forward, when hiring new staff, the District will require them to be vaccinated. Director Hernandez asked Mr. Hannah that if suddenly we had a major request for a vaccination by employees, if the District has a direct supply to vaccinate them and Mr. Hannah responded that the District is prepared for that.

Director Casillas asked Mr. Wright how the District is preparing for staffing if needed based on the new order. Mr. Wright stated that the District is doing what is necessary to prepare for a potential need. He also stated that Mark, Steve and himself are approving some traveler contracts that they have been reluctant to do because during the winter spike the District made a commitment to staff beds at a great expense with no offset to those expenses incurred. He said that someone should look into the charges these contract firms are charging, which in times of a disaster or pandemic, they appear to be taking advantage. He also indicated that they are waiting on some contract agreements that have been discussed. Mr. Hannah also said that the District already had a staffing shortage before the order come out, and the way the traveler agencies and registry sit now the supply is limited. It will be a challenge to bring in staff to replace those who may fall out due to the order.

Director Hernandez read a proposed statement that Mr. Hannah put together to send out as an internal press release and go on the District website to encourage the organization to take the order seriously and get vaccinated or provide the proper declination.

Mr. Hannah will work with District Counsel, Gary Ray to work on the proposed statement to be more specific to avoid confusion with the community and/or staff before it goes out.

The Board of Directors entered into closed session to discuss a public employment position at 1:44 pm.

The Board reconvened to open session at 1:59 pm. In closed session, the Board discussed a public employee position. No action was taken by the Board in closed session.

IV. Adjournment:

There being no further regular business, the meeting was adjourned at 2:00 p.m.



Hazel Hawkins
 MEMORIAL HOSPITAL
 SKILLED NURSING FACILITIES
 HOME HEALTH AGENCY

San Benito Health Care District

**MEDICAL EXECUTIVE COMMITTEE
 CREDENTIALS REPORT
 AUGUST 9, 2021**

NEW APPOINTMENTS

PRACTITIONER	DEPT/SERVICE	STATUS REQUEST	PROCTOR ASSIGNED

REAPPOINTMENTS

PRACTITIONER	DEPT/SERVICE	STATUS	TERM

ALLIED HEALTH – NEW APPOINTMENT

PRACTITIONER	FIELD	SERVICE
Markowski, Abigail PA-C	Physician Assistant	Emergency
Gann, Taylor, PA-C	Physician Assistant	Clinic

AHP – REAPPOINTMENTS

PRACTITIONER	DEPT/SERVICE	STATUS	TERM

CHANGE OF STATUS/DEPARTMENT

PRACTITIONER	DEPT/SERVICE	CURRENT STATUS/DEPT	REQUESTED STATUS/DEPT
Anderson, Scott PA-C	Emergency: Phys Assist	Current	Resign – no activity
Zetterlund, Patrik MD	Medicine: Cardiology	Consulting	Resign – no activity



SUBJECT: ONGOING PROFESSIONAL PRACTICE EVALUATION (OPPE)

POLICY:

The Ongoing Professional Practice Evaluation (OPPE) Policy describes the process by which the San Benito Healthcare District, through the activities of its Medical Staff, evaluates the quality of care provided by practitioners who have been granted clinical privileges by utilizing evidence-based medical practice standards and guidelines. All information related to the OPPE process is considered privileged and confidential in accordance with state and federal laws relating to peer review and other protections.

PURPOSE:

The purpose of the Ongoing Professional Practice Evaluation (OPPE) is to assess and monitor on an ongoing basis the clinical competence and professional behavior of practitioners who have been granted clinical privileges at the San Benito Healthcare District, and to use the outcomes of the assessment to improve the quality of patient care. OPPE information is factored into the decision to maintain, modify or revoke existing clinical privileges. It is also used when appropriate to recommend further evaluation such as a Focused Professional Practice Evaluation (FPPE).

DEFINITIONS:

- A. Ongoing Professional Practice Evaluation (OPPE) is data collected for the purpose of assessing a practitioner's clinical competence and professional behavior. Through this process, practitioners received feedback for potential improvement or confirmation of achievement related to the effectiveness of their professional practice in all practitioner competencies.
- B. Focused Professional Practice Evaluation (FPPE) is the focused evaluation of practitioner competence in performing a specific privilege or privileges. This process is implemented for all initially requested privileges, and whenever a question arises regarding a practitioner's ability to provide safe, high-quality patient care as identified through OPPE or other processes. See Focused Professional Practice Evaluation policy.

GUIDELINES:

- A. All practitioners who have been granted clinical privileges will be reviewed through the OPPE process.
- B. The OPPE category elements may include, but are not limited to the following:

- Patient Care: Practitioners are expected to provide patient care that is compassionate, appropriate, and effective for the promotion of health, prevention of illness, treatment of disease, and care at the end of life.
 - Medical/Clinical Knowledge: Practitioners are expected to demonstrate knowledge of established and evolving biomedical, clinical, and social sciences and the application of their knowledge to patient care and the education of others.
 - Practice-Based Learning and Improvement: Practitioners are expected to be able to use scientific evidence and methods to investigate, evaluate, and improve patient care practices.
 - Interpersonal and Communication Skills: Practitioners are expected to demonstrate interpersonal and communication skills that enable them to establish and maintain professional relationships with patients, families, and other members of health care teams.
 - Professionalism: Practitioners are expected to demonstrate behaviors that reflect a commitment to continuous professional development, ethical practice, an understanding and sensitivity to diversity, and a responsible attitude toward their patients, their profession, and society.
 - Systems-Based Practice: Practitioners are expected to demonstrate both an understanding of the contexts and systems in which health care is provided, and the ability to apply this knowledge to improve and optimize health care.
- C. Each Medical Staff Department or Division will approve the OPPE indicators for its own clinical specialty area. The Medical Executive Committee (MEC) will also approve the OPPE indicators for each clinical specialty area through approval of this policy.
- D. An OPPE Report containing the practitioner's performance for the approved indicators for the practitioner's clinical specialty area will be created at a minimum of every six (6) months.
- E. Each OPPE Report will be reviewed by the practitioner's respective Department Chair. OPPE Reports for the Department Chairs will be reviewed by the Department Vice Chairs. If the Department Chair or the Department Vice Chair is unable to review a particular report, the Chief of Staff or Chief Medical Officer will review the OPPE Report. The person reviewing the OPPE report will be considered the "Report Reviewer".
- F. If an OPPE Report contains any of the following triggers, the OPPE Report will be forwarded to the Medical Executive Committee with any comments from the OPPE Report Reviewer for consideration of initiation of a FPPE or other appropriate action for the practitioner:
1. Two (2) or more cases that have been assigned a Case Review Outcome Score of 4 (Moderate Deviation from the Standard of Care – Moderate Adverse Outcome) or higher through the Medical Staff Peer Review process relating to the practitioner's performance, OR
 2. Three (3) or more events, including validated patient grievances, complaints or behavioral events, relating to the practitioner's performance (excludes elopements and against medical advice (AMA) events), OR

3. Any significant trend as identified by the OPPE Report Reviewer such as trends relating to, but not limited to, mortality rates, surgical site infections, complications, unplanned returns to the operating room, or unplanned readmissions or revisits.
- G. If an OPPE report does not contain any of the above triggers and is determined to be acceptable by the OPPE Report Reviewer, the OPPE Report will be filed as closed without further action.

Approvals:

Medical Executive Committee: 08/09/21

Board of Directors:



SUBJECT: FOCUSED PROFESSIONAL PRACTICE EVALUATION (FPPE)

POLICY:

The Focused Professional Practice Evaluation (FPPE) Policy describes the process by which the San Benito Healthcare District, through the activities of its Medical Staff, evaluates the quality of care provided by practitioners who have been granted clinical privileges by utilizing evidence-based medical practice standards and guidelines. All information related to the FPPE process is considered privileged and confidential in accordance with state and federal laws relating to peer review and other protections.

PURPOSE:

The purpose of the Focused Professional Practice Evaluation (FPPE) is to assess and monitor on a time-limited basis the clinical competence and professional behavior of practitioners who have been granted clinical privileges at the San Benito Healthcare District, and to use the outcomes of the assessment to improve the quality of patient care

DEFINITIONS:

- A. Focused Professional Practice Evaluation (FPPE) is the focused evaluation of practitioner competence in performing a specific privilege or privileges. This process is implemented for all initially requested privileges, whenever a practitioner's OPPE data falls below pre-determined benchmarks, and whenever a question arises regarding a practitioner's ability to provide safe, high-quality patient care as identified through OPPE or other processes.
- B. Ongoing Professional Practice Evaluation (OPPE) is a summary of ongoing data collected for the purpose of assessing a practitioner's clinical competence and professional behavior. The information gathered during this process is factored into the decisions to maintain, revise, or revoke existing privileges. See Ongoing Professional Practice Evaluation policy.

GUIDELINES:

- A. All practitioners who have been granted clinical privileges will be subject to FPPE at the time of initial appointment of privileges for a time period specified by the Medical Executive Committee.
- B. A practitioner who has been identified for FPPE through the trigger process outlined in the OPPE process will be subject to FPPE for the privilege(s) identified by the Medical Executive Committee. The Medical Executive Committee will also determine the duration of the FPPE.
- C. The indicators approved by each Department for the practitioner's specialty will be used for the FPPE, unless otherwise directed by the Medical Executive Committee.

- D. The FPPE Report will be reviewed by the practitioner's respective Department Chair. FPPE Reports for the Department Chairs will be reviewed by the Department Vice Chairs. If the Department Chair or the Department Vice Chair is unable to review a particular report, the Chief of Staff or Chief Medical Officer will review the FPPE Report. The person reviewing the FPPE report will be considered the "Report Reviewer".
- E. The FPPE Report, along with the recommendations for appropriate actions from the respective FPPE Report Reviewer, will be presented to the Medical Executive Committee for review and appropriate action. Appropriate follow-up actions may include, but are not limited to, an extended evaluation period, time-limited performance plan, chart reviews and/or process monitoring in order to resolve any performance concerns.
- F. At the conclusion of the practitioner's FPPE, the Medical Executive Committee will determine, based on recommendations from the response Department Chair, if competency expectations have been met, if the FPPE should be extended or modified for an additional period, or if further actions must be initiated through the Corrective Action provisions of the Medical Staff Bylaws.
- G. If the Medical Executive Committee determines that the competency expectations have been met through the FPPE process, the FPPE will be concluded and the practitioner will then be monitored through the OPPE process.

Approvals:

Medical Executive Committee: 08/09/21

Board of Directors:



Hazel Hawkins MEMORIAL HOSPITAL

SAN BENITO HEALTH CARE DISTRICT CEO's Administrative Report

Aug 26th, 2021

To: SBHCD Board

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).

A verbal update will be provided with the latest guidance from CDPH on both healthcare personnel testing and vaccine mandate topics.

Administrative General Updates

The Joint Commission Accreditation Survey:

HHMH's TJC survey response to the findings from the June 2-4 survey was submitted prior to the August 13th deadline. TJC has 60 days to review the responses and ask for any clarifying information. I want to thank the accreditation team and all of the Directors and others who were involved with the survey process and response. Having come through a very challenging pandemic surge last winter and then having the hospital's survey occur added an additional level of challenge but the team handled it well.

As of Friday, August 20th, Home Health received a 3-year accreditation letter following the TJC survey that took place in early June. Congratulations to the entire Home Health team and to the organization's accreditation team for the excellent outcome!

The hospital received notification that the 60-day evidence of compliance response to the findings of the early June TJC survey was accepted. We anticipate receiving the full accreditation letter from TJC after the follow-up Medicare survey occurs which is expected at any time over the next few months.

As a reminder, The Joint Commission is a voluntary accreditation program that HHMH has historically participated in and has been accredited for several years. What had changed was that HHMH became licensed as a Critical Access Hospital (CAH) in March of 2020 and that licensure change triggered what is referred to as an "initial" survey. The survey findings are used as an excellent improvement tool to help leadership focus on improving processes, systems, and



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documentation throughout the organization. The ultimate goal of accreditation is to provide a safe and best practice-based care delivery model for the patients who chose to receive healthcare services at HHMH.

In addition, the Clinical Laboratory also has had its' TJC survey and we are still expecting the Title 22 survey at any time. Historically, the SNFs have always had great surveys.

Organizational Leadership:

The recruitment effort started last month for finding a long-term CCO and the process can take from 3 to 6 months to find the type of clinical leader that is needed for HHMH. We are seeking a candidate who ideally has a Masters level education in healthcare administration and/or nursing with several years of experience in similar roles within hospitals with the complexity of HHMH.

Early in the recruitment process, a candidate was identified who was also interested in an Interim CCO assignment. Discussions with this candidate and the recruitment firm that represented them led to the decision to engage their services as an Interim CCO effective September 7th. I will review additional details of the situation and process for continuing to recruit the long-term CCO at the meeting.

SBHCD Strategic Plan:

The initial scope of work for the master plan project is coming to a close and will end with a presentation to the full Board at September's Board meeting in a closed session to discuss the District's strategy. This first scope of work will be followed with an extensive financial analysis and business modeling scope of work as the planners and HHMH's finance team prepare likely scenarios for HHMH's future based on growing service lines and adding much-needed capital projects to ensure that appropriate facilities and equipment are available to caregivers and physicians for providing healthcare services. The campus itself will also need updates and improvements.

Corporate Compliance Plan:

While there is no update at this time, I am reiterating the importance of the overall compliance plan and the need to now begin a robust compliance auditing process.

Legal Counsel District activities:

Gary Ray, District general counsel, and Anne Olson, District labor counsel have both assisted in formulating policies related to the recently CA State health officer order to achieve full vaccination of health care workers (HCPs) or have appropriate delineations due to religious beliefs or medical



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beliefs on file.

Medical Staff updates

Provider Agreements:

The 2nd full-time general surgeon has will join HHMH effective November 1st, 2021 as approved at last month's Board meeting. This month's meeting will include the final steps of that contracting process in the form of reviewing and approving the separate recruitment agreement which outlines the relocation incentive for this surgeon joining our medical community.

In addition, the 4th candidate that I mentioned was being interviewed last month has progressed through the recruitment process and the administrative team will be finalizing a decision about extending an offer to join HHMH's general surgery practice with a potential start date in January of 2022 by September's Board meeting.

Legislative, Community, and Regional Activities

Legislative Collaboration Efforts:

Meetings have occurred in the past 4 weeks with Congressman Panetta's office as well as with State Assemblymember Robert Rivas and his staff regarding the ongoing financial burden from last winter's pandemic surge and the current one that HHMH and the rest of the State are experiencing.

CEO HHMH/Community Activities:

Hospital Rounding – At least twice weekly
Benito Link Call – July 28th
San Benito Business Council – August 5th
HHH Foundation – August 12th

CEO Regional/National Activities:

Congressman Panetta Staff Discussion – August 4th
Sunlight Giving Foundation Discussion – August 5th
CCAHN CEO Roundtable – August 6th

Sincerely,

Steven Hannah



Hazel Hawkins

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Steven M. Hannah, MHA
Chief Executive Officer

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 HR	Chief Operating Officer, Vice President of Human Resources
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
LOI	Letter of Intent
MACRA	CMS-Medicare Access & CHIP Reauthorization Act of 2015 MAP
MAP	Management Action Plan



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MD	Medical Doctor
MGMA	Medical Group Management Association
MS & Med Surg	Medical Surgical Unit
MIPs	CMS-Merit Based Incentive Payment System
MOR	Management Operating Review
MOU	Memorandum of Understanding
OR	Operating Room
OSHPD	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
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



To: San Benito Health Care District Board of Directors
From: Jordan Wright-Interim COO/VP HR
Date: August 2021
Re: Compliance, EVS, Dietary Services, HR, PT, & Radiology

August Updates:

- Compliance Plan:
 - Beginning recruitment efforts for .5 FTE compliance analyst to begin proactive review
- EVS:
 - Approval to upgrade all linen carts in skilled nursing facilities
- Dietary services:
 - Designation of dietary lead for the department to enable evening and weekend coverage
- HR:
 - Fiscal Year 2021 Performance appraisal process for exempt employees using Trackstar
 - Adjustment to have all departments complete annual reviews in June of each year
 - Fiscal Year 2022 goal setting being completed in Trackstar
 - Implementation of non-vaccinated testing policy August 23, 2021
 - Preparation for September 30, 2021 CDPH vaccination mandate
- PT:
 - Coding staff review
- Radiology:
 - Chantell McLaren permanent radiology director
 - Equipment review to determine replacement and upgrade requirements



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To: San Benito Health Care District Board of Directors
From: Marie Iverson, Chief Clinical Officer
Date: August 2021
Re: Acute Facility

Medical-Surgical / ICU:

For July 2021, Med/Surge and ICU have been exceptionally busy with admissions and discharges. Medical-Surgical averaged 12.74 patients per day with 16 Covid patient days, and ICU averaged 2.90 patients per day with 9 Covid patient days.

With our patient discharge phone calls and patient rounding, I had several customers state the nursing staff is excellent and the doctors are answering all their questions.

We continue to work on our Performance Improvement Projects for quality and safety.

For August, we are starting to see an increase in Covid patient days, and I would like to thank all my nursing staff for helping with the increased patient surge during this current time.

We are still planning to have our Skills Fair for our Nursing Staff on August 25 and 26th.

Emergency Services:

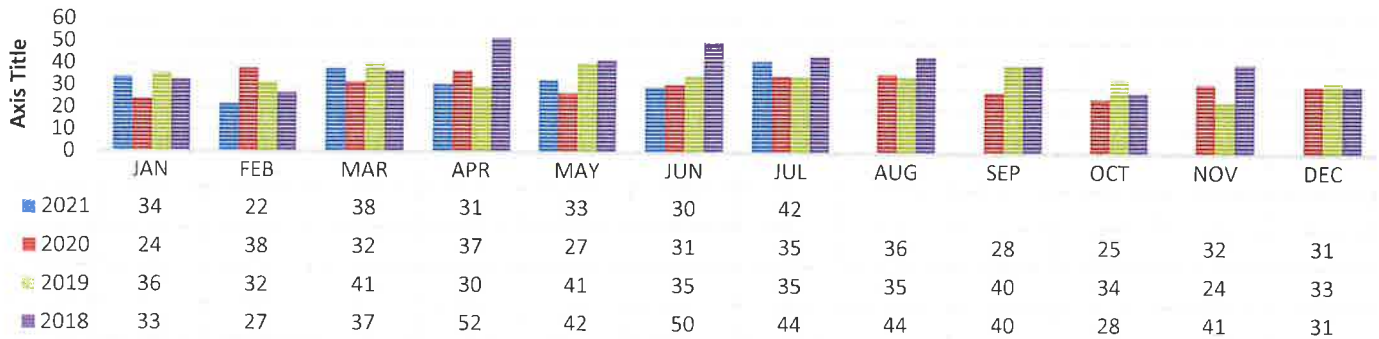
Weekly Census

7/4/2021	7/11/2021	7/18/2021	7/25/2021	Total visits for July
58	67	61	67	1,979

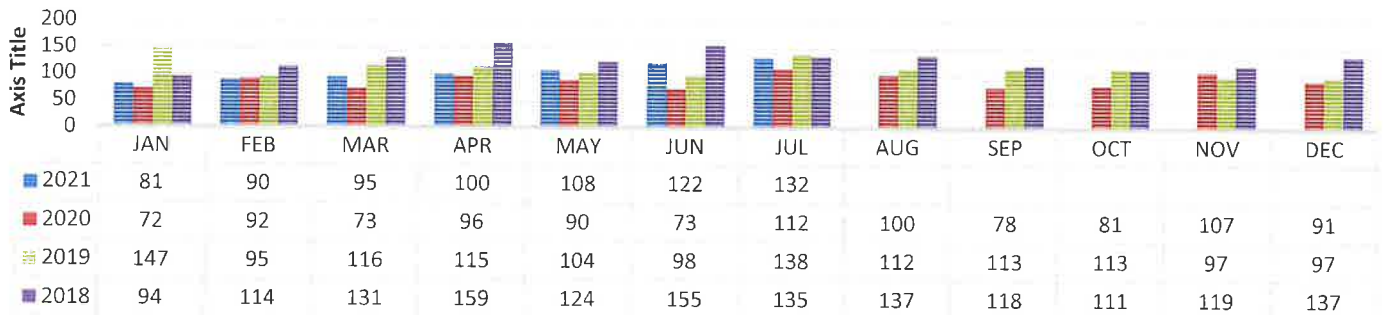
- Census going up, acuities are very high, Covid surg
- Covid car testing is on Wednesdays and Fridays.
- Covid tent back up for the increase of car patients throughout the day and night.
- Traveler left contract without explanation, covering with ED staff hard to find travelers at this time. Travel companies want Covid rates.

OBSTETRICS DEPARTMENT BOARD REPORT JULY 2021

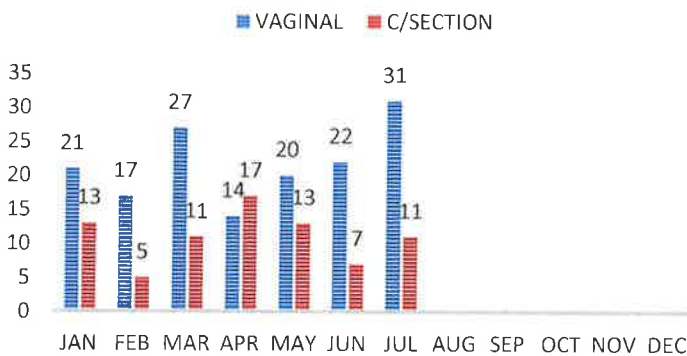
DELIVERIES



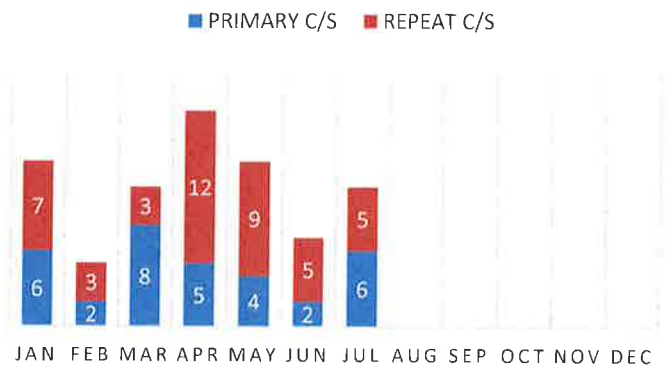
OUTPATIENT OB TRIAGE VISITS



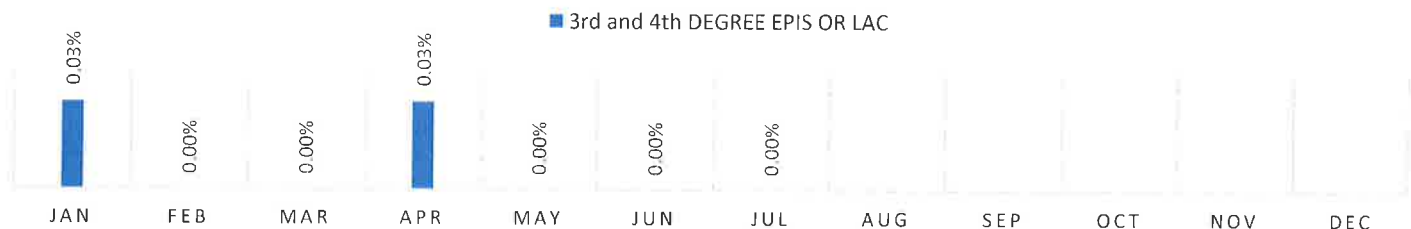
TYPE OF DELIVERY



CESAREAN SECTIONS



3RD AND 4TH DEGREE EPIS OR LAC





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To: San Benito Health Care District Board of Directors
 From: Amy Breen-Lema, Director, Provider Services & Clinic Operations
 Date: August 2021
 Re: All Clinics – July 2021

2021 Rural Health and Specialty Clinics' visit volumes

Total clinic visits for July 2021 in all outpatient clinics = 6,604

	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021
Sunset/Annex	810					
San Juan Bautista	209					
1st Street	974					
4th Street	1392					
Barragan	715					
Totals	4100					
Specialty Clinics						
Orthopedic Specialty	530					
Multi-Specialty	640					
Primary Care Associates	1334					
Totals	2504					

- COVID vaccination efforts are continuing despite a softened demand. Vaccine boosters are expected to be advised by the CDC in the very near future.
- On July 27, 2021 the rural health clinics were awarded \$247,645.00 as part of a Rural Health Clinic Vaccine Confidence Program Grant. Funds will be used to increase patient's COVID vaccine confidence and promote education & awareness throughout our clinics and community.
- Operating hours for the Sunset clinic will be extended to 8 p.m. beginning October 4, 2021. The Barragan clinic is currently operating with extended hours until 8 p.m.

32.



WILLIAM & INEZ MABIE SKILLED NURSING FACILITY

AUGUST 2021

BOARD REPORT

AUGUST 9, 2021

**To:
San Benito Health Care District
Board of Directors**

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

I. Management Activities:

1. SNF continues to maintain census.
2. No COVID-19 outbreak at SNF. SNF management continues to work closely with SNF Medical Director, Local Public Health, and CDPH and HHH other departments for managing infection control and COVID mitigation. Currently starting to test biweekly to staff who are unvaccinated and incomplete vaccination.
3. Still waiting for unannounced annual CMS/State Title 22 Annual Survey.
4. Palliative care program has been awarded a grant of \$60,000 from “The Hospice Giving Foundation.”

II. In-services for the month of August:

1. 8/11 Preservations of Patient Dignity & Privacy
Review Covid-19 Mitigation Plan, IC, and Survey Prep
Mandatory All Staff

2. 8/25 Bowel & Bladder Training Management: Review Covid-19 Mitigation Plan, Visitation and Survey Prep
Mandatory All Staff

III. Census Statistics for July:

Statistics:	2021	2020
Total Number of Admissions:	8	4
Number of Transfers from HHH:	6	3
Number of Transfers to HHH:	2	3
Number of Deaths:	0	1
Number of Discharges:	8	4
Total Discharges:	8	5
Total Census Days:	1397	1127

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:	6
Medicare MC:	0
Medical:	1
Medical MC:	0
Private (self pay):	1
Insurance:	0
Total:	8

Total Patient Days by Payer Status Category:	
Medicare:	189
Medicare MC:	0
Medi-Cal:	1127
Medi-Cal MC:	0
Private:	81
Insurance:	0
Bed Hold/LOA	3
TOTAL:	1400
Average Daily Census	45.16

IV. Palliative Care Referral Statistics for July:

Referral Sources:	
New Referrals	11
Acute Hospital	6
Mabie Southside	5
Mabie Northside	0

Patients Served	32
Patients Discharged	4
Patients Deceased	3
Grief Support	20
Total Patient Visits	159



MABIE NORTHSIDE SKILLED NURSING FACILITY

Aug 2021

BOARD REPORT

Aug 9, 2021

To:

**San Benito Health Care District
Board of Directors**

From:

Sherry Hua, RN, MSN, DON for Mabie Northside SNF

1. Management Activities

1. SNF continue to maintain census.
2. No Covid 19 outbreak at SNF. SNF management continues to work closely with SNF Medical Director, Local Public Health, CDPH, HHH and other departments for managing infection control and COVID mitigation. Currently starting to test biweekly to staff who are unvaccinated and incomplete vaccination.
3. Still waiting for unannounced annual CMS/State Title 22 Annual Survey.
4. Palliative care program has been awarded a grant of \$60,000 from (The Hospice Giving Foundation).

2. In-services for the month of July 2021

1. Elder & Dependent Adult Abuse Reporting, COVID 19 Prevention & Control.
2. Acutely ill: UTI Management & Prevention, COVID 19 Prevention & Control, Visitation Policy.
3. Transferring from bed to commode, Laundry, ADL Care, Covid Testing.



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CONVALESCENT HOSPITAL
HOME HEALTH AGENCY

San Benito Health Care District

**Mabie Northside Skilled Nursing Facility
Monthly Reports**

Admissions and Discharges

July 2021

Total Number of Admissions	11
Number of Transfers from HHH	7
Number of Transfers to HHH	2
Number of Deaths	1
Number of Discharges	12
Total Census Days (excludes Bed Holds)	1,225
Total Discharges	13

Note: Transfers are included in the number of admissions and discharges.
Deaths are included in the number of Total Discharges.

**TOTAL PATIENT DAYS BY PAY
STATUS CATEGORY:**

**TOTAL DISCHARGES BY
PAY STATUS CATEGORY:**

MEDICARE	11
MEDICARE MC	0
MEDI-CAL	1
MEDI-CAL MC	0
PRIVATE (SELF PAY)	0
INSURANCE	0
TOTAL	12

MEDICARE	182
MEDICARE MC	0
MEDI-CAL	1,012
MEDI-CAL MC	0
PRIVATE (SELF PAY)	31
INSURANCE	0
BEDHOLD /LOA	6
WORKERS COMP	0
TOTAL	1,231

# days	Tot. Census	Average
31	1233	39.77

Board Report

San Benito Home Health Care - July 2021

To: San Benito Health Care District Board of Directors

**From: Anita Frederick RN
Director - San Benito Home Health Care**

HOME HEALTH STATS				
	Apr-21	May-21	Jun-21	Jul-21
Total Admissions	50	41	17	54
Total Home Visits	519	488	382	416
Census /Total Patients	91	70	56	82

REFERRAL SOURCES				
Hazel Hawkins	44%	54%	23%	41%
Other Hospitals	22%	12%	18%	17%
Southside SNF	10%	7%	6%	7%
Northside SNF	8%	7%	12%	7%
Other SNF	0%	0%	12%	4%
MD / Clinics	16%	16%	29%	24%

**START OF CARE/VISIT STATISTICS
SAN BENITO HOME HEALTH
JULY 1ST THRU JULY 31ST 2021**

TOTAL NUMBER OF ADMISSIONS _____ **54**
***TOTAL NUMBER OF VISITS** _____ **416**

PAYOR REFERRAL SOURCES

MEDICARE _____ **74 %**
PVT _____ **9 %**
MEDICARE MANAGED _____ **9 %**
MEDICAL _____ **6 %**
WORKER COMP _____ **2 %**

REFERRAL SOURCES

HAZEL HAWKINS HOSPITAL _____ **41 %**
OTHER HOSPITALS _____ **17 %**
SOUTHSIDE SNF _____ **7 %**
NORTHSIDE SNF _____ **7 %**
MD REFERRALS _____ **24 %**
OTHER SNF _____ **4 %**
INSURANCE _____ **0 %**

***PAYOR SOURCE OF VISITS MADE**

MEDICARE _____ **90 %**
MEDI-CAL _____ **2 %**
PRIVATE _____ **7 %**
MANAGED MEDICARE _____ **0 %**
WORKER COMP _____ **1 %**



San Benito Health Care Agency
A Public Agency
911 Sunset Drive
Hollister, CA 95023-5695
(831) 637-5711

TO: San Benito Health Care District Board of Directors
FROM: Frankie Gallagher, Director of Marketing
DATE: August 18, 2021
RE: **MARKETING REPORT FOR AUGUST 2021**

- Completed new commercial highlighting orthopedic services.
- Creating new ads for BenitoLink and FreeLance websites for orthopedic services.
- Creating ads for FreeLance and Mission Village voice for orthopedic services.
- Creating ads in conjunction with our new digital marketing partner.
- Created press release, flyer and social media posts regarding State of California vaccine mandate.
- Composed press release acknowledging Girl Scout donation of comfort pillows.
- Working on website functionality
- Kristi Matthews our Dietician/Diabetes Educator is doing a cooking demonstration at Twin Oaks on August 19.
- Meeting with Twin Oaks staff to go over their survey on what their residents would like regarding health education presentations and collaborations with HHMH.
- Developed communication pieces and signage regarding re-implementing visitor restrictions.
- Social Media posts for August:
 - Basic Protective Measures Against COVID
 - COVID Transmission Levels
 - Back to School Tips
 - Bicycle Safety
 - Immunization Month
 - New Ortho Commercial
 - Backpack Safety
 - COVID Vaccine Awareness



Hazel Hawkins Hospital Auxiliary

8/15/21

To Hospital Board:

Our current membership status is:

- 86 Active Volunteers
- 114 Associates

The Auxiliary Board of Directors is currently on hiatus for the summer. The next BOD meeting will be on Monday, September 13.



The Auxiliary's annual Ice Cream Social was held on Sunday, July 18. It had been two years since the last one and the volunteers were excitedly looking forward to this. The annual event is hosted by me & my family at our home. About 45 volunteers attended. The weather was nice, the ice cream & toppings were good but the comradery was the best!

Our Women's Center Coordinator, Sarah Rufener has moved away. She has been the WC Coordinator for several years and has given over 1,600 hours of volunteer service to the hospital. We will certainly miss her smiling face and send best wishes in her new adventure!

Hazel's Thrift Shop is doing very well. The shop looks fantastic and the volunteers are happy to be back at work. I would encourage you to pay them a visit on one of their open days Tuesdays, Thursdays & Saturdays. The address is: 898 San Benito Street. Gently used donations are appreciated.

Save The Dates:

- September 13 ~ BOD Meeting

As always, please feel free to contact me anytime. I am in my office on Mondays, Tuesdays & Thursdays, 9-4. You can also reach me at: aoliveira@hazelhawkins.com.

Best Regards,

Alice Oliveira

Alice Silva Oliveira
Coordinator of Volunteer Services
(831)636-2681
aoliveira@hazelhawkins.com

*In my life I've learned that true happiness comes from giving.
Helping others along the way makes you evaluate who you are. – Marla Gibbs*



TO: San Benito Health Care District Board of Directors
FROM: Liz Sparling, Foundation Director
DATE: August 2021
RE: Foundation Report

The Hazel Hawkins Hospital Foundation Board of Trustees met on Thursday, August 12th for their monthly meeting via zoom.

Financial Report June

1. Income	\$ 8,779.74	
2. Expenses	\$ 92,495.89	(includes new 7 Stryker Monitors for OR from 2020 Fundraiser Funds)
3. New Donors	3	
4. Total Donations	204	

Approved Allocations

1. No Allocations this month.

Directors Report

- The Foundation assisted in submitting a federal grant for COVID Vaccination Confidence Program in our Rural Health Clinics and the Hospital was awarded \$247,000. Amy Breen-Lema, Karen Gambetta and our grant writing team, Key Writing Concepts, all helped secure this grant.
- I am also working with Amy Breen-Lema and Kristi Mathews on getting all the equipment ordered to start the Diabetes Education and Prevention Program at the Diabetes Center.
- Hospice Giving Foundation Awarded the Foundation \$60,000 for our Palliative Care Program.
- The Foundation Board has been invited to attend a presentation of the summary master plan results on August 24th at 8am.

Dinner Dance Report

The honorees at this year's fundraiser are: Donors of the Year - Jon and Jeanette Whorley, Business Donors of the Year - VEP Healthcare (which is now US Acute Care Solutions) and our Heart for Hazel Award will go to Sylvia Marquez. Our Committee is very thankful we decided to have a drive through Gourmet Pick-Up Dinner event again this year with the ongoing pandemic concerns. Sponsor letters went out two weeks ago and we already have \$24,693 in sponsorships for the event. We are very pleased with the community support we have received thus far. I have included the letter and sponsor information in my report.

All the Auction Items for the Community wide online auction have been organized and submitted. The auction is August 27-30th. Preregistration for the Auction will begin on Friday, August 20th. On that day, the bidding website will be made visible for everyone to see on the auction website, www.givesanbenito.org/auction and people can begin to register. The funds raised from the auction go towards the 2021 Fundraiser Funds.

Our Fantastic Auction Items

- Dining Experience for 10 in the Private Guest House at the Inn at Tres Pinos with Wine and Transportation donated by the Inn at Tres Pinos, Don and Dianne Winn and Greenwood Chevrolet.
- Milady Nails & Spa Package for services accompanied with local soaps, lotions, chocolates and wine donated by Milady Nails and Jeri Hernandez.
- Calera Wine Company Cave Tour, Tasting and Beautiful Lunch donated by Calera Wine Company and Thyme Catering.
- La Selva Beach Bungalow for three nights, two blocks from the bluff with a private beach. Sleeps 6 with a living room, family room and gourmet kitchen donated by Ann Marie Barragan.
- San Juan Oaks Golf Club Package for a Foursome and lunch at Smoke Point BBQ in San Juan Bautista donated by San Juan Oaks Golf Club and Joyce and Luciano Medeiros.
- Dinner for Two at the Inn at Tres Pinos with transportation to and from dinner in a 1965 Rolls Royce Silver Cloud donated by Robert and Lisa Poelker.
- Two Oakland Athletics Diamond Level Seats for Game on September 12th against the Texas Rangers donated by Ann Marie Barragan.
- Parking for a year at Hazel Hawkins Hospital in your own selected spot donated by the HHH Foundation.
- Las Vegas for Two Nights at the Luxurious Bellagio Hotel Including Airfare for Two People donated by Ann Marie Barragan.

Hazel Hawkins Hospital FOUNDATION

Caring for Our Community

Jennifer Laine
PRESIDENT

Luciano Medeiros
VICE PRESIDENT

Lynda Robinson
TREASURER

Jill Pagaran
SECRETARY

Ralph Armstrong, DO

Elias Barocio Jr.

Ann Marie Barragan

Lanetta Bishop

Sharon Green

Steve Hannah, CEO

Kathy Hart

Jeri Hernandez

Mary McCullough

Seth Muenzer

Nancy Oliveira

Robert Poelker

Abraham Prado

Mark Robinson, CFO

Conner Stevens

Tisi Stewart

Liz Sparling
FOUNDATION DIRECTOR



Hazel Hawkins Hospital
Foundation is a 501(c)(3)
charitable organization
TIN#94-2497062

An Event to Keep Our Donors & Honorees Safe

After much thought of having an in person event this year, and insight of the ongoing pandemic concerns, our Committee and Administration have decided to move forward with an event similar to last year, a Gourmet Dinner Pick-Up. Many challenges affected the decision and we believe that this is the most responsible decision for the Hospital Fundraiser for this year.

On November 6, 2021 we will be having a Gourmet Dinner Pick-Up at one of San Benito County's most distinguished restaurants, the Inn at Tres Pinos. Please see enclosed menu for this incredible meal.

We are seeking sponsorships for this event. Join us to raise funds for the Hospital while enjoying an elegant and delicious dinner that you can pick-up and enjoy safely in your home. We are encouraging our donors to get together and send pictures and videos of your parties to us as we are planning on making a video of the event.

This year will be honoring **Jon & Jeanette Whorley** as our Donors of the Year for their continuous giving to Hazel Hawkins Memorial Hospital and the Foundation, and **VEP Healthcare now part of US Acute Care Solutions**, as our Business Donor of the Year for their years of generous support. We will also be honoring **Sylvia Marquez** as our "Heart for Hazel" recipient for her years of dedication to the Hospital and the Foundation.

The annual Hazel Hawkins Hospital Foundation Dinner Dance is our primary donor recognition and fundraising event of the year. Last year with this event, we were able to purchase seven state-of-the-art Stryker High Definition Monitors for the Operating Rooms that cost over \$83,000!

Kindly respond by October 15, 2021 to ensure your name is included in all marketing materials. Visit our website for more information.

We are looking forward to a wonderful event this year. Because of the pandemic during the past year, our Community has needed our Hospital like never before. And we need you!

Thank you for considering our request,

Liz Sparling, Director
Hazel Hawkins Hospital Foundation

44.


Hazel Hawkins Hospital
FOUNDATION

Caring for Our Community

Gourmet Dinner Pick-Up at the Inn at Tres Pinos ~ 5:30 PM
Saturday, November 6, 2021

EVENT SPONSORSHIP PACKAGES

Sponsor Benefits	\$10,000	\$5,000	\$2,500	\$1,000	\$500	\$250
Room Named Plaque displayed outside room of your choice in Main Hospital (\$10K) or Northside Skilled Nursing Facility (\$5K)	●	●				
Name/Logo Displayed at Event	●	●	●			
Name listed in Foundation eNewsletter	●	●	●	●		
Name listed on Foundation Website	●	●	●	●	●	
Name on Sponsor Poster	Top	●	●	●	●	●
Name on Donor Plaque	●	●	●	●	●	●
Dinner Tickets	8	6	4	2	2	2
Tax Deductible Portion if all tickets are used	\$9,280	\$4,460	\$2,140	\$820	\$320	\$70

Proceeds from this event will go toward the area of greatest need at the Hospital.

Invitations with event details will be sent in October with your dinner tickets.
 If you will not be using all of the tickets in your sponsorship package, the Foundation kindly requests that tickets be returned so we can keep an accurate count of the meals. Thank you.

45.



FINANCE COMMITTEE
Thursday, August 19, 2021, 5:00 p.m
Online Zoom Meeting
Agenda

Call to Order

- I. Financial Reports:
 - A. Financial Statements – July 2021

- II. Financial Updates
 - A. Finance Dashboard
 - B. Bad Debt (Uncompensated Care) – August 2021 write-off
 - C. CHFFA Loan discussion

- III. Contracts
 - A. 930 Sunset Drive, Suite B Lease Agreement with San Benito County
(Action item)

- IV. Policies
 - A. Board Approval Spending Limits **(Action item)**

- V. Physician Contracts
 - A. Bunry Pin, D.O. – Physician Service Agreement-General Surgery
(Action item)
 - B. Ryan Gerry, M.D. – Physician Recruitment Agreement **(Action item)**

Adjournment



San Benito Health Care District
Finance Committee Minutes
August 19, 2021

Zoom Meeting - 5:00pm

Present: Rick Shelton, Board Treasurer
Mary Casillas, Board Vice President
Steven Hannah, Chief Executive Officer
Mark Robinson, Vice President-Finance\Support Services
Jordan Wright – Chief Operations Officer
Karen Gambetta, Controller

Public: Jeri Hernandez

CALL TO ORDER

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

I. **FINANCIAL STATEMENTS**

A. July 2021

The Financial Statements for July 2021 were presented for review. For the month ending July 31, 2021, the District's Net Surplus (Loss) is \$220,768 compared to a budgeted Surplus (Loss) of \$73,582. The District exceeded its budget for the month by \$147,186.

Acute discharges were over budget for the month by 57 discharges or 42%. The Average Daily Census was 17.39 compared to a budget of 13.19. The average length of stay was 2.79. The Acute I/P gross revenue was over budget by \$1.5 million while O/P services gross revenue exceeded budget by \$1.2 million or 6%. Inpatient ER visits were over budget by 50 visits while ER O/P visits were over budget by 125 visits or 7%. The Rural Health Clinics treated 4,100 patients (includes 715 visits at the Diabetes Clinic) while the other clinics treated 2,504 outpatients. Other Operating revenue was below budget by \$59,099 due to a decrease in physician collections. Operating expenses were under budget by \$69,732 due to variances in: Salaries & Wages being under by \$198,690 while being offset by Registry overages of \$146,927. Non-operating Revenue was over budget by \$1,553 due to investment income.

The Skilled Nursing Facilities had an average daily census of 84.58 with a budgeted ADC of 80. The SNFs Net Surplus (Loss) is \$81,457 compared to a budgeted surplus of \$30,374.

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 and Cash Flow statement were reviewed by the Committee in detail.
- B. **Bad Debt (Uncompensated Care) – August 2021 Write-Off** – The write-off request for August 2021 is for 411 accounts totaling \$372,422.07. The CCS Bad Debt Recovery rate is

15.5%. The Charity Care write-offs are now broken out into two categories: Charity \$65,923.38 and Sliding Fee Scale–Clinics \$28,099.74 for a total Charity amount for the month of \$94,023.12.

- C. **CHFFA Loan discussion** – A resolution will be presented at the August 26th Board Meeting which will allow Steven Hannah and Mark Robinson to sign the CHFFA loan documents. This loan is for \$2 million dollars to pay for the Hospital Roof. The term is for 20 years with a 2% interest rate.

III. **CONTRACTS**

- A. **930 Sunset Drive, Suite B Lease Agreement with San Benito County** – The Public Health Department of San Benito County is needing a space for COVID testing. The attached lease is effective 09/01/2021 for 1,165 square feet at \$2.00/sq. ft. located at 930 Sunset Drive, Suite B near the Sunset Rural Health Clinic. The lease is a month-to-month agreement due to a possible funding cap for San Benito County. Additionally, the County will pay the District for janitorial services done by the District. The Finance Committee recommends this lease for Board approval.

IV. **POLICIES**

- A. **Board Approval Spending Limits** – The updated District Board Approval policy is included in this packet. Contracts, Capital Expenditures and Physician Agreements are addressed separately in the policy. Additionally, prior to being presented to the Finance Committee for recommendation, all physician agreements will comply with the Fair Market Value Policy and the Physician Services Contract Policy and Procedures. The Finance Committee recommends the Board approval of the Board Approval Spending limit policy.

V. **PHYSICIAN CONTRACTS**

- A. **Bunry Pin, D.O.-Physician Service Agreement-General Surgery** – The agreement has a proposed effective date of 09/01/2022 with a 3-year term. The first two-years of the agreement allow for a constant compensation at the 75% percentile of Fair Market Value. In the third year, the compensation drops from \$546,000 to \$424,759 with the addition of quality metrics and productivity incentives. It is anticipated that year 3 total compensation will be similar to years 1 & 2. The Finance Committee recommends this agreement for Board approval.
- B. **Ryan Gerry, M.D.-Physician Recruitment Agreement** – Effective August 1, 2021 with a November 1, 2021 start date, this two-year Physician Recruitment Agreement allows for reimbursement of up to \$30,000 for customary and reasonable moving expenses and other related costs incurred by Physician in relocating to the SBHCD Service Area. If the provider leaves before the end of the two-year agreement, a pro-rata portion of the reimbursement will be paid back to the District as part of a signed promissory note. The Finance Committee recommends this agreement for Board approval.

ADJOURNMENT

There being no further business, the Committee was adjourned at 5:28pm.

Respectfully submitted,



Karen Gambetta
Controller



August 20, 2021

CFO Financial Summary for the Finance Committee:

For the month ending July 31, 2021, the District's Net Surplus (**Loss**) is \$220,768 compared to a budgeted Surplus (**Loss**) of \$73,582. The District exceeded its budget for the month by \$147,186.

Acute discharges were 193 for the month, over budget by 136 discharges or 42%. The ADC was 17.39 compared to a budget of 13.19. The ALOS was 2.79. The acute I/P gross revenue was over budget by **\$1.5 million** while O/P services gross revenue was **\$1.2 million** or 6% over budget. ER I/P visits were 148 and ER O/P visits were over budget by 125 visits or 7%. The RHCs & Specialty Clinics treated 4,100 (includes 715 visits at the Diabetes Clinic) and 2,504 visits respectively.

Other Operating revenue was under budget by **\$59,099** due to a decrease in physician collections.

Operating Expenses were under budget by **\$69,732** due mainly to variances in: Salary and Wages being under by \$198,690 while being offset by Registry overages of \$146,927.

Non-operating Revenue was over budget by **\$1,553** due to investment income.

The SNFs ADC was **84.58** for the month. The Net Surplus (**Loss**) is **\$81,457** compared to a budget of \$30,374. The ADC is budgeted to be 80 residents for the month.

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 less than **1.5**. The Cal- Mortgage 2021 bond covenant targets are a **1.25** DSR, **30** days cash-on-hand and a **1.5** current ratio.

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 07/31/21

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 07/31/21	BUDGET 07/31/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 07/31/20	ACTUAL 07/31/21	BUDGET 07/31/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 07/31/20
GROSS PATIENT REVENUE:										
ACUTE ROUTINE REVENUE	3,432,037	2,788,186	643,851	23	2,797,572	3,432,037	2,788,186	643,851	23	2,797,572
SNF ROUTINE REVENUE	1,712,120	1,616,551	95,569	6	1,427,950	1,712,120	1,616,551	95,569	6	1,427,950
ANCILLARY INPATIENT REVENUE	4,747,913	3,974,670	773,243	20	3,870,102	4,747,913	3,974,670	773,243	20	3,870,102
HOSPITALIST\PEDS I\P REVENUE	168,501	159,541	8,960	6	100,914	168,501	159,541	8,960	6	100,914
TOTAL GROSS INPATIENT REVENUE	10,060,571	8,538,948	1,521,623	18	8,196,538	10,060,571	8,538,948	1,521,623	18	8,196,538
ANCILLARY OUTPATIENT REVENUE	20,681,846	19,525,129	1,156,717	6	19,368,038	20,681,846	19,525,129	1,156,717	6	19,368,038
HOSPITALIST\PEDS O\P REVENUE	45,638	13,551	32,087	237	20,672	45,638	13,551	32,087	237	20,672
TOTAL GROSS OUTPATIENT REVENUE	20,727,484	19,538,680	1,188,804	6	19,388,710	20,727,484	19,538,680	1,188,804	6	19,388,710
TOTAL GROSS PATIENT REVENUE	30,788,055	28,077,628	2,710,427	10	27,585,248	30,788,055	28,077,628	2,710,427	10	27,585,248
DEDUCTIONS FROM REVENUE:										
MEDICARE CONTRACTUAL ALLOWANCES	7,756,675	7,242,691	513,984	7	7,341,893	7,756,675	7,242,691	513,984	7	7,341,893
MEDI-CAL CONTRACTUAL ALLOWANCES	8,370,981	5,788,436	2,582,545	45	5,934,631	8,370,981	5,788,436	2,582,545	45	5,934,631
BAD DEBT EXPENSE	253,140	256,791	(3,651)	(1)	506,062	253,140	256,791	(3,651)	(1)	506,062
CHARITY CARE	94,023	67,780	26,243	39	67,731	94,023	67,780	26,243	39	67,731
OTHER CONTRACTUALS AND ADJUSTMENTS	3,158,352	3,785,025	(626,673)	(17)	3,407,925	3,158,352	3,785,025	(626,673)	(17)	3,407,925
HOSPITALIST\PEDS CONTRACTUAL ALLOW	20,721	5,191	15,530	299	22,491	20,721	5,191	15,530	299	22,491
TOTAL DEDUCTIONS FROM REVENUE	19,653,892	17,145,914	2,507,978	15	17,280,732	19,653,892	17,145,914	2,507,978	15	17,280,732
NET PATIENT REVENUE	11,134,163	10,931,714	202,449	2	10,304,516	11,134,163	10,931,714	202,449	2	10,304,516
OTHER OPERATING REVENUE	471,477	530,576	(59,099)	(11)	633,172	471,477	530,576	(59,099)	(11)	633,172
NET OPERATING REVENUE	11,605,641	11,462,290	143,351	1	10,937,688	11,605,641	11,462,290	143,351	1	10,937,688
OPERATING EXPENSES:										
SALARIES & WAGES	4,528,984	4,664,458	(135,474)	(3)	4,100,658	4,528,984	4,664,458	(135,474)	(3)	4,100,658
REGISTRY	326,538	173,206	153,332	89	293,508	326,538	173,206	153,332	89	293,508
EMPLOYEE BENEFITS	2,545,004	2,584,100	(39,096)	(2)	2,393,821	2,545,004	2,584,100	(39,096)	(2)	2,393,821
PROFESSIONAL FEES	1,406,713	1,435,456	(28,743)	(2)	1,363,074	1,406,713	1,435,456	(28,743)	(2)	1,363,074
SUPPLIES	1,060,135	1,011,942	48,193	5	986,248	1,060,135	1,011,942	48,193	5	986,248
PURCHASED SERVICES	946,463	969,904	(23,441)	(2)	905,437	946,463	969,904	(23,441)	(2)	905,437
RENTAL	137,525	139,639	(2,114)	(2)	148,317	137,525	139,639	(2,114)	(2)	148,317
DEPRECIATION & AMORT	325,777	323,395	2,382	1	348,384	325,777	323,395	2,382	1	348,384
INTEREST	1,275	5,833	(4,558)	(78)	305	1,275	5,833	(4,558)	(78)	305
OTHER	343,920	316,683	27,237	9	277,431	343,920	316,683	27,237	9	277,431
TOTAL EXPENSES	11,622,334	11,624,616	(2,282)	0	10,817,183	11,622,334	11,624,616	(2,282)	0	10,817,183
NET OPERATING INCOME (LOSS)	(16,693)	(162,326)	145,633	(90)	120,505	(16,693)	(162,326)	145,633	(90)	120,505

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HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 07/31/21

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 07/31/21	BUDGET 07/31/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 07/31/20	ACTUAL 07/31/21	BUDGET 07/31/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 07/31/20
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	3,677	5,000	(1,323)	(27)	3,813	3,677	5,000	(1,323)	(27)	3,813
PROPERTY TAX REVENUE	185,249	185,249	0	0	171,868	185,249	185,249	0	0	171,868
GO BOND PROP TAXES	160,091	160,091	(1)	0	155,365	160,091	160,091	(1)	0	155,365
GO BOND INT REVENUE\EXPENSE	(75,091)	(75,091)	1	0	(77,865)	(75,091)	(75,091)	1	0	(77,865)
OTHER NON-OPER REVENUE	7,874	7,866	8	0	15	7,874	7,866	8	0	15
OTHER NON-OPER EXPENSE	(47,283)	(47,282)	(1)	0	(63,785)	(47,283)	(47,282)	(1)	0	(63,785)
INVESTMENT INCOME	2,944	75	2,869	3,825	2,670	2,944	75	2,869	3,825	2,670
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	237,461	235,908	1,553	1	192,081	237,461	235,908	1,553	1	192,081
NET SURPLUS (LOSS)	220,768	73,582	147,186	200	312,586	220,768	73,582	147,186	200	312,586
EBIDA	\$ 508,828	\$ 359,259	\$ 149,569	41.63%	\$ 647,255	\$ 508,828	\$ 359,259	\$ 149,569	41.63%	\$ 647,255
EBIDA MARGIN	4.38%	3.13%	1.25%	39.88%	5.92%	4.38%	3.13%	1.25%	39.88%	5.92%
OPERATING MARGIN	(0.14)%	(1.42)%	1.27%	(89.84)%	1.10%	(0.14)%	(1.42)%	1.27%	(89.84)%	1.10%
NET SURPLUS (LOSS) MARGIN	1.90%	0.64%	1.26%	196.33%	2.86%	1.90%	0.64%	1.26%	196.33%	2.86%

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HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 07/31/21

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 07/31/21	BUDGET 07/31/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 07/31/20	ACTUAL 07/31/21	BUDGET 07/31/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 07/31/20
GROSS PATIENT REVENUE:										
ROUTINE REVENUE	3,432,037	2,788,186	643,851	23	2,797,572	3,432,037	2,788,186	643,851	23	2,797,572
ANCILLARY INPATIENT REVENUE	4,453,126	3,655,970	797,156	22	3,732,103	4,453,126	3,655,970	797,156	22	3,732,103
HOSPITALIST I\P REVENUE	168,501	159,541	8,960	6	100,914	168,501	159,541	8,960	6	100,914
TOTAL GROSS INPATIENT REVENUE	8,053,664	6,603,697	1,449,967	22	6,630,589	8,053,664	6,603,697	1,449,967	22	6,630,589
ANCILLARY OUTPATIENT REVENUE	20,681,846	19,525,129	1,156,717	6	19,368,038	20,681,846	19,525,129	1,156,717	6	19,368,038
HOSPITALIST O\P REVENUE	45,638	13,551	32,087	237	20,672	45,638	13,551	32,087	237	20,672
TOTAL GROSS OUTPATIENT REVENUE	20,727,484	19,538,680	1,188,804	6	19,388,710	20,727,484	19,538,680	1,188,804	6	19,388,710
TOTAL GROSS ACUTE PATIENT REVENUE	28,781,148	26,142,377	2,638,771	10	26,019,299	28,781,148	26,142,377	2,638,771	10	26,019,299
DEDUCTIONS FROM REVENUE ACUTE:										
MEDICARE CONTRACTUAL ALLOWANCES	7,557,872	7,023,083	534,789	8	7,346,827	7,557,872	7,023,083	534,789	8	7,346,827
MEDI-CAL CONTRACTUAL ALLOWANCES	8,328,592	5,737,121	2,591,471	45	6,011,895	8,328,592	5,737,121	2,591,471	45	6,011,895
BAD DEBT EXPENSE	253,361	256,791	(3,430)	(1)	492,890	253,361	256,791	(3,430)	(1)	492,890
CHARITY CARE	94,023	67,780	26,243	39	67,731	94,023	67,780	26,243	39	67,731
OTHER CONTRACTUALS AND ADJUSTMENTS	3,150,601	3,752,706	(602,105)	(16)	3,374,375	3,150,601	3,752,706	(602,105)	(16)	3,374,375
HOSPITALIST\PEDS CONTRACTUAL ALLOW	20,721	5,191	15,530	299	22,491	20,721	5,191	15,530	299	22,491
TOTAL ACUTE DEDUCTIONS FROM REVENUE	19,405,170	16,842,672	2,562,498	15	17,316,208	19,405,170	16,842,672	2,562,498	15	17,316,208
NET ACUTE PATIENT REVENUE	9,375,978	9,299,705	76,273	1	8,703,091	9,375,978	9,299,705	76,273	1	8,703,091
OTHER OPERATING REVENUE	471,477	530,576	(59,099)	(11)	633,172	471,477	530,576	(59,099)	(11)	633,172
NET ACUTE OPERATING REVENUE	9,847,456	9,830,281	17,175	0	9,336,263	9,847,456	9,830,281	17,175	0	9,336,263
OPERATING EXPENSES:										
SALARIES & WAGES	3,610,931	3,809,621	(198,690)	(5)	3,250,985	3,610,931	3,809,621	(198,690)	(5)	3,250,985
REGISTRY	315,147	168,220	146,927	87	293,508	315,147	168,220	146,927	87	293,508
EMPLOYEE BENEFITS	2,025,447	2,051,129	(25,682)	(1)	1,905,207	2,025,447	2,051,129	(25,682)	(1)	1,905,207
PROFESSIONAL FEES	1,404,673	1,425,684	(21,011)	(2)	1,360,469	1,404,673	1,425,684	(21,011)	(2)	1,360,469
SUPPLIES	968,458	935,855	32,603	4	906,879	968,458	935,855	32,603	4	906,879
PURCHASED SERVICES	882,131	910,162	(28,031)	(3)	827,238	882,131	910,162	(28,031)	(3)	827,238
RENTAL	136,555	138,643	(2,088)	(2)	145,522	136,555	138,643	(2,088)	(2)	145,522
DEPRECIATION & AMORT	285,587	282,498	3,089	1	307,763	285,587	282,498	3,089	1	307,763
INTEREST	1,275	5,833	(4,558)	(78)	305	1,275	5,833	(4,558)	(78)	305
OTHER	299,713	272,002	27,711	10	239,755	299,713	272,002	27,711	10	239,755
TOTAL EXPENSES	9,929,916	9,999,647	(69,732)	(1)	9,237,630	9,929,916	9,999,647	(69,732)	(1)	9,237,630
NET OPERATING INCOME (LOSS)	(82,460)	(169,366)	86,906	(51)	98,633	(82,460)	(169,366)	86,906	(51)	98,633

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HAZEL HANKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 07/31/21

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 07/31/21	BUDGET 07/31/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 07/31/20	ACTUAL 07/31/21	BUDGET 07/31/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 07/31/20
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	3,677	5,000	(1,323)	(27)	3,813	3,677	5,000	(1,323)	(27)	3,813
PROPERTY TAX REVENUE	159,183	159,183	0	0	147,685	159,183	159,183	0	0	147,685
GO BOND PROP TAXES	160,091	160,091	(1)	0	155,365	160,091	160,091	(1)	0	155,365
GO BOND INT REVENUE\EXPENSE	(75,091)	(75,091)	1	0	(77,865)	(75,091)	(75,091)	1	0	(77,865)
OTHER NON-OPER REVENUE	7,874	7,866	8	0	15	7,874	7,866	8	0	15
OTHER NON-OPER EXPENSE	(36,907)	(36,906)	(1)	0	(49,775)	(36,907)	(36,906)	(1)	0	(49,775)
INVESTMENT INCOME	2,944	75	2,869	3,825	2,670	2,944	75	2,869	3,825	2,670
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	221,771	220,218	1,553	1	181,909	221,771	220,218	1,553	1	181,909
NET SURPLUS (LOSS)	139,311	50,852	88,459	174	280,541	139,311	50,852	88,459	174	280,541

53.

HAZEL HAWKINS SKILLED NURSING FACILITIES
 HOLLISTER, CA
 FOR PERIOD 07/31/21

	-----CURRENT MONTH-----					-----YEAR-TO-DATE-----				
	ACTUAL 07/31/21	BUDGET 07/31/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 07/31/20	ACTUAL 07/31/21	BUDGET 07/31/21	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 07/31/20
GROSS SNF PATIENT REVENUE:										
ROUTINE SNF REVENUE	1,712,120	1,616,551	95,569	6	1,427,950	1,712,120	1,616,551	95,569	6	1,427,950
ANCILLARY SNF REVENUE	294,787	318,700	(23,913)	(8)	138,000	294,787	318,700	(23,913)	(8)	138,000
TOTAL GROSS SNF PATIENT REVENUE	2,006,907	1,935,251	71,656	4	1,565,950	2,006,907	1,935,251	71,656	4	1,565,950
DEDUCTIONS FROM REVENUE SNF:										
MEDICARE CONTRACTUAL ALLOWANCES	198,803	219,608	(20,805)	(10)	(4,934)	198,803	219,608	(20,805)	(10)	(4,934)
MEDI-CAL CONTRACTUAL ALLOWANCES	42,389	51,315	(8,926)	(17)	(77,265)	42,389	51,315	(8,926)	(17)	(77,265)
BAD DEBT EXPENSE	(221)	0	(221)		13,172	(221)	0	(221)		13,172
CHARITY CARE	0	0	0	0	0	0	0	0	0	0
OTHER CONTRACTUALS AND ADJUSTMENTS	7,751	32,319	(24,568)	(76)	33,550	7,751	32,319	(24,568)	(76)	33,550
TOTAL SNF DEDUCTIONS FROM REVENUE	248,722	303,242	(54,520)	(18)	(35,476)	248,722	303,242	(54,520)	(18)	(35,476)
NET SNF PATIENT REVENUE	1,758,185	1,632,009	126,176	8	1,601,425	1,758,185	1,632,009	126,176	8	1,601,425
OTHER OPERATING REVENUE	0	0	0	0	0	0	0	0	0	0
NET SNF OPERATING REVENUE	1,758,185	1,632,009	126,176	8	1,601,425	1,758,185	1,632,009	126,176	8	1,601,425
OPERATING EXPENSES:										
SALARIES & WAGES	918,053	854,837	63,216	7	849,673	918,053	854,837	63,216	7	849,673
REGISTRY	11,391	4,986	6,405	129	0	11,391	4,986	6,405	129	0
EMPLOYEE BENEFITS	519,557	532,971	(13,414)	(3)	488,614	519,557	532,971	(13,414)	(3)	488,614
PROFESSIONAL FEES	2,040	2,128	(88)	(4)	2,605	2,040	2,128	(88)	(4)	2,605
SUPPLIES	91,678	76,087	15,591	21	79,370	91,678	76,087	15,591	21	79,370
PURCHASED SERVICES	64,332	59,742	4,590	8	78,200	64,332	59,742	4,590	8	78,200
RENTAL	970	996	(26)	(3)	2,795	970	996	(26)	(3)	2,795
DEPRECIATION	40,190	40,897	(707)	(2)	40,621	40,190	40,897	(707)	(2)	40,621
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHER	44,207	44,681	(474)	(1)	37,676	44,207	44,681	(474)	(1)	37,676
TOTAL EXPENSES	1,692,418	1,617,325	75,093	5	1,579,553	1,692,418	1,617,325	75,093	5	1,579,553
NET OPERATING INCOME (LOSS)	65,767	14,684	51,083	348	21,872	65,767	14,684	51,083	348	21,872
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	26,066	26,066	0	0	24,183	26,066	26,066	0	0	24,183
OTHER NON-OPER EXPENSE	(10,376)	(10,376)	0	0	(14,011)	(10,376)	(10,376)	0	0	(14,011)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	15,690	15,690	0	0	10,173	15,690	15,690	0	0	10,173
NET SURPLUS (LOSS)	81,457	30,374	51,083	168	32,045	81,457	30,374	51,083	168	32,045

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Statement of Cash Flows
Hazel Hawkins Memorial Hospital
Hollister, CA
One month ending July 31, 2021

	CASH FLOW		COMMENTS
	Current Month 7/31/2021	Current Year-To-Date 7/31/2021	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$220,768	\$220,768	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	340,743	340,743	
(Increase)/Decrease in Net Patient Accounts Receivable	691,046	691,046	
(Increase)/Decrease in Other Receivables	561,190	561,190	
(Increase)/Decrease in Inventories	6,203	6,203	
(Increase)/Decrease in Pre-Paid Expenses	(342,662)	(342,662)	
(Increase)/Decrease in Due From Third Parties	133,307	133,307	
Increase/(Decrease) in Accounts Payable	(986,695)	(986,695)	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	(222,941)	(222,941)	
Increase/(Decrease) in Accrued Expenses	6,833	6,833	
Increase/(Decrease) in Patient Refunds Payable	0	0	
Increase/(Decrease) in Third Party Advances/Liabilities	(1,125,324)	(1,125,324)	
Increase/(Decrease) in Other Current Liabilities	124,136	124,136	Semi-Annual Interest - 2021 Insured Revenue Bonds
Net Cash Provided by Operating Activities:	(814,164)	(814,164)	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(77,467)	(77,467)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	(243,230)	(243,230)	Bond Principal & Int Payment - 2014 & 2021 Bonds
(Increase)/Decrease in Other Assets	6,416	6,416	Amortization
Net Cash Used by Investing Activities	(314,281)	(314,281)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Bond/Mortgage Debt	(28,520)	(28,520)	Refinancing of 2013 Bonds with 2021 Bonds
Increase/(Decrease) in Capital Lease Debt	0	0	
Increase/(Decrease) in Other Long Term Liabilities	0	0	
Net Cash Used for Financing Activities	(28,520)	(28,520)	
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	0	
Net Increase/(Decrease) in Cash	(936,197)	(936,197)	
Cash, Beginning of Period	18,775,197	18,775,197	
Cash, End of Period	\$17,839,000	\$17,839,000	

Cost per day to run the District \$368,329

Operational Days Cash on Hand 48.43

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San Benito Health Care District
 Hazel Hawkins Memorial Hospital
 JULY 2021

Description	Target	MTD Actual	YTD Actual	YTD Target
Average Daily Census - Acute	13.19	17.39	17.39	13.19
Average Daily Census - SNF	80.00	84.58	84.58	80.00
Acute Length of Stay	3.01	2.79	2.79	3.01
ER Visits:				
Inpatient	98	148	148	98
Outpatient	1,706	1,831	1,831	1,706
Total	1,804	1,979	1,979	1,804
Days in Accounts Receivable	45.0	41.6	41.6	45.0
Productive Full-Time Equivalents	495.86	486.28	486.28	495.86
Net Patient Revenue	10,931,714	11,134,163	11,134,163	10,931,714
Medicare Traditional Payor Mix	28.73%	31.02%	31.02%	28.73%
Commercial Payor Mix	31.52%	22.77%	22.77%	31.52%
Bad Debt % of Gross Revenue	0.91%	0.91%	0.91%	0.91%
EBIDA	359,259	508,828	508,828	359,259
EBIDA %	3.13%	4.38%	4.38%	3.13%
Operating Margin	-1.42%	-0.14%	-0.14%	-1.42%
Salaries, Wages, Registry & Benefits %: by Net Operating Revenue	64.75%	63.77%	63.77%	64.75%
by Total Operating Expense	63.85%	63.68%	63.68%	63.85%
Bond Covenants:				
Debt Service Ratio	1.25	3.26	3.26	1.25
Current Ratio	1.50	1.33	1.33	1.50
Days Cash on hand	30.00	48.43	48.43	30.00
Met or Exceeded Target				
Within 10% of Target				
Not Within 10%				

56.

**HAZEL HAWKINS HOSPITAL
BAD DEBT WRITE OFF
AUGUST
2021**

<u>CCS BAD DEBT RECOVERY %:</u>		15.50%
<u>BAD DEBT RECOVERY \$: JULY 2021</u>	\$	104,250.18

COLLECTION CONSULTING SERVICES:

411 Accounts Ready for Collections	\$	372,422.07
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TOTAL BAD DEBT	\$	372,422.07
WRITE-OFF COUNT	#	411

CHARITY CARE JULY 2021

40 Accounts W/O to Charity	\$	65,923.38
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SLIDING FEE SCALE CLINICS JULY 2021

66 Accounts W/O to Sliding Fee Scale	\$	28,099.74
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TOTAL CHARITY CARE JULY 2021	\$	94,023.12
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***NOTE**

TOTAL WRITE-OFF	\$	466,445.19
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COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Lease") is entered into and effective on **September 1, 2021** ("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" or "Landlord"), and the **County of San Benito** acting through the San Benito County Health and Human Services Agency ("County" or "Tenant").

RECITALS

- A. Landlord is the owner of **one thousand one hundred sixty-five (1,165) square feet** of office space at the location commonly known as **930 Sunset Drive, Suite B, Hollister, California** ("Property").
- B. This Lease shall include the use of the parking lot and other existing improvements located on the Property ("Improvements"). The term "Premises" as used in this Lease shall mean both the Property and the Improvements.
- C. Landlord wishes to lease to Tenant and Tenant wishes to lease from Landlord at established fair market value the Premises.
- D. Nothing in this Lease shall be construed to require or encourage the referrals of patients between the parties. The parties shall not directly or indirectly provide any other financial incentives between them in exchange for any patient referrals.

In consideration of the rent to be paid by Tenant and of the covenants and provisions to be kept and performed by Tenant under this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises upon the following terms and conditions.

ARTICLE 1. TERM AND TERMINATION

- 1.1 Term. This Lease shall commence on **September 1, 2021** ("Commencement Date") and continue on a month-to-month basis ("Term") until terminated by either party upon thirty (30) days' prior written notice.
- 1.2 Termination. Either party may terminate this Lease at any time without stating a cause or reason and without cost or penalty upon thirty (30) days' prior written notice to the other party.

ARTICLE 2. RENT

- 2.1 Base Rent. Tenant shall pay rent to Landlord for the use and occupancy of the Premises in the amount of **Two Thousand Three Hundred Thirty Dollars (\$2,330.00)** per month ("Base Rent"). This Base Rent is equal to the amount of Two Dollars (\$2.00) per square foot of the leased space.
- 2.2 Adjustments to Rent. The Base Rent set forth in Section 2.1 of this Lease shall be adjusted on the first annual anniversary of the Effective Date of this Lease and on each annual anniversary of that date thereafter ("Adjustment Date"). Beginning on the thirteenth (13th) month following the Effective Date, the Base Rent shall be adjusted by the amount of change in the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco Bay Area as reported by the U.S. Bureau of Labor Statistics ("CPI Index"). Base Rent shall be increased by one hundred (100%) percent of the percentage of increase, if any, shown by the CPI Index. Landlord shall calculate the amount and provide Tenant notice of the increase, and Tenant shall pay this amount which shall then be considered the Base Rent.
- 2.3 Payment of Rent. Rent shall be paid to **San Benito Health Care District, 911 Sunset Drive, Hollister, California, 95023** on or before the first (1st) day of each month of the Term.

ARTICLE 3. USE OF PREMISES

- 3.1 Permitted Use. During the term of this Lease, including any extended term, the Premises shall be used for the sole purpose of operating a medical clinic and for uses normally incident to that purpose. Tenant shall not use or permit the Premises to be used for any other purpose, without the prior written consent of Landlord. Tenant agrees that during the term of this Lease, no diagnostic laboratory, laboratory services or clinical pathology services shall be performed or installed on the Premises.

- 3.2 Operation of Business. During the Lease Term, Tenant shall, unless prevented by conditions beyond Tenant's control, conduct business of the type and nature specified in Section 3.1 of this Lease on the Premises in a diligent and business-like manner. Tenant shall not do or permit anything to be done in or about the Premises which shall in any way conflict with any law, ordinance, rule, or regulation affecting the occupancy and use of the Premises, or in any way obstruct or interfere with the rights of other tenants of the building, or injure or annoy them, or use the Premises for any improper, unlawful, or objectionable purpose.
- 3.3 Insurance Hazards. Tenant shall not commit or permit the commission of any acts on the Premises or use or permit the use of the Premises in any manner that will increase the existing rates for or cause the cancellation of any fire, liability, or other insurance policy insuring the Property or the Improvements. Tenant shall, at its own cost and expense, comply with any and all requirements of Landlord's insurance carriers necessary for the continued maintenance at reasonable rates of fire and liability insurance policies on the Property and the Improvements, provided said requirements do not require Tenant to alter the structure of the building, make capital improvements or conduct repairs or other work that are the responsibility of the Landlord as described in this Lease.
- 3.4 Waste or Nuisance. Tenant shall not commit or permit the commission by others of any waste on the Premises; Tenant shall not maintain, commit, or permit the commission of any nuisance as defined in California Civil Code Section 3479 on the Premises; and Tenant shall not use or permit the use of the Premises for any unlawful purpose.
- 3.5 Compliance With Laws and Rules. Tenant shall at Tenant's own cost and expense comply with all current or subsequently enacted statutes, ordinances, regulations, and requirements of all governmental entities, both federal and state and county or municipal relating to Tenant's use and occupancy of the Premises, except for those requiring capital improvements to the Premises which shall be the responsibility of the Landlord. Rules and Regulations. Tenant agrees to observe and comply with the rules and regulations promulgated from time to time by the Landlord, as in the Landlord's judgment are necessary for the safety, care and cleanliness of the building. Landlord promises not to promulgate rules that cause unreasonable hardship and expense to the Tenant, or rules that unreasonably hinder Tenant's normal use of the Premises except as may be required by law.
- 3.6 Cooperation with Other Tenants. All tenants shall share the common areas of the building. All tenants shall share the parking lot on a first come, first served basis.

ARTICLE 4. UTILITIES, TAXES, AND SERVICES

- 4.1 Utilities. Tenant shall pay, and hold Landlord and the property of Landlord free and harmless from, all charges for the furnishing of any utilities to the Premises that are separately metered or billed. These items include, but are not limited to, telephone and computer lines, and separate gas and electric connections. All such charges shall be paid by Tenant directly to the provider of the service and shall be paid as they become due and payable but in any event before delinquency.
- 4.2 Personal Property Taxes. Tenant shall pay before they become delinquent all taxes, current installments of assessments, and other charges levied or imposed by any governmental entity for the furniture, trade fixtures, appliances, and other personal property placed by Tenant in, on, or about the Premises.
- 4.3 Janitorial Services. Tenant shall pay to Landlord the amount of **one hundred eighty-five dollars (\$185.00) per week** for janitorial services for the Premises.

ARTICLE 5. ALTERATIONS AND REPAIRS

- 5.1 Condition of Premises. Tenant accepts the Premises, as well as the Improvements located on the Premises, in their present condition and stipulates with Landlord that the Premises and Improvements are in good, clean, safe, and tenantable condition as of the date of this Lease. Tenant further agrees with and represents to Landlord that the Premises have been inspected by Tenant and that the Premises are being leased by Tenant as a result of its own inspection and investigation and not as a result of any representations made by Landlord or any agent of Landlord except those expressly set forth in this Lease.

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- 5.2 Maintenance by Landlord. Landlord shall, at its own cost and expense, maintain in good condition, repair and in compliance with Building Codes, the structural elements of the Building and the Building's systems. It shall be the Landlord's responsibility to keep the Building's systems operational. For purposes of this section, "structural elements" shall mean the roof, exterior walls (including painting of the entire building and excepting window glass), bearing walls, structural supports, and foundation of the Building, and "building systems" shall mean the systems for electricity, plumbing, sewer, water drainage, lighting, heating, air conditioning and ventilation and elevator. Landlord shall also maintain the parking lot and the landscaping. Notwithstanding anything in this section to the contrary, Tenant shall promptly reimburse Landlord for the full cost of any required repairs made pursuant to this section due to the negligence of Tenant or its employees, agents or subtenants, if any. Landlord and its agents shall have the right to enter the Premises at all reasonable times (and at any time during an emergency) for the purpose of inspecting them or to make any repairs required to be made by Landlord under this Lease.
- 5.3 Maintenance by Tenant. Except as provided elsewhere in this Lease, Tenant shall perform, at its own cost and expense, all ordinary repair and maintenance of all portions of the Premises and all Improvements located on the Premises, so that the Property is in good order and repair and in as safe and clean a condition as when received by Tenant from Landlord, reasonable wear and tear excepted. Tenant's obligation to repair shall specifically include routine, ordinary repairs to the interior walls, floor coverings, ceilings, the interior and exterior portions of all doors, and glass windows for the Premises, except that Tenant's obligation shall not include major repairs to the structural elements of the Building or the Building systems as defined in Section 5.2 above or capital improvements required by any government entity, law, ordinance or regulation.
- 5.4 Alterations and Liens. Subject to other arrangements made between the parties, Tenant shall not make or permit any other person to make any alterations to the Premises or to any Improvements on the Premises without the prior written consent of Landlord, which shall not be unreasonably withheld. Tenant shall keep the premises free and clear from any and all liens, claims, and demands for work performed, materials furnished, or operations conducted on the Premises at the instance or request of Tenant. Furthermore, any and all alterations, additions, improvements, and fixtures, except furniture and trade fixtures, made or placed in or on the Premises by Tenant or any other person shall on expiration or earlier termination of this Lease, become the property of Landlord and remain on the Premises.
- 5.5 Inspection by Landlord. Tenant shall permit Landlord or Landlord's agents or employees to enter the Premises at all reasonable times for the purpose of inspecting the Premises to determine whether Tenant is complying with the terms of this Lease, to perform other lawful acts that may be necessary to protect Landlord's interest in the Premises, or for the purpose of performing Landlord's duties under this Lease.
- 5.6 Surrender of Premises. Upon termination of this Lease, Tenant shall surrender and deliver the Premises to Landlord in as good condition as of the Effective Date of this Lease, excluding reasonable wear and tear.

ARTICLE 6. INDEMNITY AND INSURANCE

- 6.1 Tenant's Hold Harmless Clause. Tenant shall protect, indemnify, and save Landlord harmless from and against any all liability to third parties resulting from Tenant's occupation and use of the Premises, specifically including, without limitation, any claim, liability, loss, or damage arising by reason of:
- 6.1.1 The death or injury of any person or persons, including Tenant or any person who is an employee or agent of Tenant, or by reason of the damage to or destruction of any property, including property owned by Tenant or any person who is an employee or agent of Tenant, and caused or allegedly caused by some act or omission of Tenant or of some agent, contractor, employee, servant, subtenant of Tenant on the Premises; unless the death or injury is caused or allegedly caused by a condition of the Premises that is beyond the Tenant's control or is related to Landlord's failure to make a repair pursuant to Section 5.2 or Landlord's alleged negligent repair;
- 6.1.2 Any work performed on the Premises or materials furnished to the Premises at the instance or request of Tenant or its agent or employee; and
- 6.1.3 Tenant's failure to perform any provision of this Lease or to comply with any requirement of law or any requirement imposed on Tenant or the Premises by any duly authorized governmental agency or political subdivision that this Lease requires Tenant to comply with.

- 6.2 Tenant's Public Liability Insurance. Tenant shall, at its own cost and expense, procure and maintain during the entire term of this Lease public liability insurance issued by an insurance company acceptable to Landlord and insuring Tenant and Landlord against loss or liability caused by or connected with Tenant's occupation and use of the Premises under this Lease in the amount of One million dollars (\$1,000,000) for injury to or death of one person and, subject to that limitation for the injury or death of one person, of not less than One million dollars (\$1,000,000) for injury to or death of two or more persons as a result of any one accident or incident. Tenant shall, during the full term of this Lease and any renewals or extensions thereof, maintain at Tenant's own cost and expense an insurance policy issued by a reputable company authorized to conduct insurance business in California insuring for their full insurable value all fixtures and equipment that is, at any time during the term of this Lease, in or on the Premises against damage or destruction by fire, theft, or the elements. Insurance required under this section shall be issued by a responsible insurance company authorized to do business in California and shall be in a form satisfactory to Landlord. Tenant shall within ten (10) days of the date of this Lease deposit with Landlord a certificate showing that insurance to be in full force and effect. Said certificate shall also show that the insurance shall not be cancelled or changed without ten (10) days written notice to Landlord by the insurance company.
- 6.3 Tenant's Property Damage Insurance. Landlord shall, at its own cost and expense, procure and maintain during the entire term of this Lease public liability insurance, property damage insurance and fire insurance insuring Landlord against loss or liability caused by or connected with Tenant's occupation and use of the Premises under this Lease.
- 6.4 Mutual Release. The parties release each other, and their respective authorized representatives, from any claims for damage to any person or to the Premises and to the fixtures, personal property, tenant improvements, and alterations of either Landlord or Tenant in or on the Premises that are caused by or result from risks insured against under any insurance policies carried by the parties and in force at the time of any such damage. Each party shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any policy. Neither party shall be liable to the other for any damage caused by fire or any of the risks insured against under any insurance policy required by this Lease. If an insurance company refuses to issue a policy containing a waiver of subrogation, or said waiver is only obtainable by the payment of an additional premium, the acquiring party shall notify the other party of this fact. The other party shall have a period of ten (10) days after receiving the notice either to place the insurance with a company that is reasonably satisfactory to the other party and that will waive subrogation or to agree to pay the additional premium. If the insurance cannot be obtained or the other party refuses to pay the additional premium, the acquiring party is relieved of the obligation to obtain the waiver of subrogation.

ARTICLE 7. SIGNS AND TRADE FIXTURES

- 7.1 Installation and Removal of Trade Fixtures. Tenant shall have the right at any time and from time to time during the term of this Lease, at Tenant's sole cost and expense, to install and affix in, to, or on the Premises any items ("trade fixtures") for use in business that Tenant may, in Tenant's sole discretion, deem advisable. Any and all trade fixtures that can be removed without structural damage to the Premises or any building or improvements on the Premises shall, subject to this Lease, remain the property of the Tenant and may be removed by Tenant at any time before the expiration or earlier termination of this Lease, provided Tenant repairs any damage caused by the removal.
- 7.2 Unremoved Trade Fixtures. Any trade fixtures that are not removed from the Premises by Tenant within thirty (30) days after the termination, regardless of cause, of this Lease shall be deemed abandoned by Tenant and shall become the property of Landlord as owner of the real property to which they are affixed.
- 7.3 Signs. Tenant may erect, maintain, permit, and from time to time remove any signs in or about the Premises that Tenant may deem necessary or desirable and to which the Landlord consents, provided that any signs erected or maintained by Tenant shall comply with all requirements of any governmental authority with jurisdiction. Landlord reserves the right to post standard "for sale" or "for rent" signs provided the signs are clear that the property for sale or rent is the real property.

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ARTICLE 8. DESTRUCTION OF PREMISES

- 8.1 Destruction. The parties agree that if the Premises are partially or wholly damaged or destroyed by fire, earthquake or other casualty, or are so damaged as to render the Premises untenable, the Tenant shall give immediate written notice thereof to Landlord. The Landlord shall then have the option to terminate this Lease by giving Tenant ten (10) days written notice of termination following Tenant's notice to Landlord. In the event Landlord does not choose to terminate this Lease, the Landlord shall, at its own cost and expense and with reasonable diligence, restore the Premises and repair the damage caused by the casualty to substantially the same condition as the Building was delivered to Tenant at the commencement of this Lease, exclusive of tenant fixtures, and shall be entitled for that purpose to any and all insurance proceeds, exclusive of proceeds from Tenant's insurance of its personal property.

ARTICLE 9. CONDEMNATION

- 9.1 Total Condemnation. If at any time during the term of this Lease title and possession of any portion of the Premises is taken under the power of eminent domain by any public or quasi-public agency or entity, this Lease shall terminate as of 12:01 a.m. of the date actual physical possession of the Premises is taken by the agency or entity exercising the power of eminent domain, and both Landlord and Tenant shall thereafter be released from all obligations under this Lease, except those described in Section 9.2.
- 9.2 Condemnation Award. If at any time during the term of this Lease, title and possession of all or any portion of the Premises is taken under the power of eminent domain by any public or quasi-public agency or entity, the compensation or damages for the taking shall be awarded to and be the sole property of Landlord. Tenant waives any and all rights to share in any damages or award except that Tenant may make a claim for compensation for leasehold improvements.

ARTICLE 10. DEFAULT, ASSIGNMENT, AND TERMINATION

- 10.1 Restriction Against Subletting or Assignment. Tenant shall not encumber, assign, sublease or otherwise transfer this Lease, any right or interest in this Lease, or any right or interest in the Premises or any of the Improvements that may now or hereafter be constructed or installed on the Premises without first obtaining the express written consent of Landlord. Consent by Landlord to one assignment, one subletting, or one occupation of the Premises shall not be deemed to be consent to any subsequent assignment, subletting, or occupation of the Premises. Any encumbrance, assignment, transfer, or subletting without the prior written consent of Landlord, whether voluntary or involuntary, by operation of law or otherwise, is void and shall, at the option of Landlord, terminate this Lease.
- 10.2 Default Defined. The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:
- 10.2.1 Any failure by Tenant to pay the rent or to make any other payment required to be made by Tenant under this Lease (when that failure continues for ten (10) days after written notice of the failure is given by Landlord to Tenant).
- 10.2.2 The abandonment or vacation of the Premises by Tenant (the absence of Tenant from or the failure by Tenant to conduct business on the Premises for a period in excess of thirty (30) consecutive days shall constitute an abandonment or vacation).
- 10.2.3 A failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant, when that failure continues for fifteen (15) days after written notice of Tenant's failure is given by Landlord to Tenant; provided, however, that if the nature of that default is such that it cannot reasonably be cured within the fifteen (15) period, Tenant shall not be deemed to be in default if Tenant commences that cure within the fifteen (15) period and thereafter diligently prosecutes it to completion.
- 10.2.4 The making by Tenant of any general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, it is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in

this Lease, when possession is not restored to Tenant within thirty (30) days; or the attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, when that seizure is not discharged within thirty (30) days.

10.3 Termination of Lease and Recovery of Damages. In the event of any default by Tenant under this Lease, in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the right to terminate this Lease and all rights of Tenant hereunder by giving written notice of the termination. No act of Landlord shall be construed as terminating this Lease except written notice given by Landlord to Tenant advising Tenant that Landlord elects to terminate the Lease. In the event Landlord elects to terminate this Lease, Landlord may recover from Tenant:

10.3.1 The worth at the time of award of any unpaid rent that had been earned at the time of termination of the Lease;

10.3.2 The worth at the time of award of the amount by which the unpaid rent that would have been earned after termination of the Lease until the time of award exceeds the amount of rental loss that Tenant proves could have been reasonably avoided;

10.3.3 The worth at the time of award of the amount by which the unpaid rent for the balance of the term of this Lease after the time of award exceeds the amount of rental loss that Tenant proves could be reasonably avoided; and

10.3.4 Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease.

The term "rent" as used in this section shall mean the monthly rent and all other sums required to be paid by Tenant pursuant to the terms of this Lease. As used in subsections (a) and (b) above, "worth at the time of award" is computed by allowing interest at the rate of ten percent (10%) per year. As used in subsection (c), "worth at the time of award" is computed by discounting that amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

10.4 Landlord's Right to Continue Lease in Effect.

10.4.1 If Tenant breaches this Lease and abandons the Premises before the natural expiration of the term of this Lease, Landlord may continue this Lease in effect by not terminating Tenant's right to possession of the Premises, in which event Landlord shall be entitled to enforce all its rights and remedies under this Lease, including the right to recover the rent specified in this Lease as it becomes due under this Lease. For as long as Landlord does not terminate this Lease, Tenant shall have the right to assign or sublease the Premises with the Landlord's prior written consent. Landlord shall not unreasonably withhold consent.

10.4.2 No act of Landlord, including but not limited to Landlord's entry on the Premises, efforts to relet the Premises, or maintenance of the Premises, shall be construed as an election to terminate this Lease unless a written notice of that intention is given to Tenant or unless the termination of this Lease is decreed by a court of competent jurisdiction.

10.5 Landlord's Right to Relet. In the event Tenant breaches this Lease, Landlord may enter on and relet the Premises or any part of the Premises to a third party or third parties for any term, at any rental, and on any other terms and conditions that Landlord in its sole discretion may deem advisable, and shall have the right to make alterations and repairs to the Premises. Tenant shall be liable for all of Landlord's costs in reletting, including but not limited to remodeling costs required for the reletting. In the event Landlord relets the Premises, Tenant shall pay all rent due under and at the times specified in this Lease, less any amount or amounts actually received by Landlord from the reletting.

10.6 Landlord's Right to Cure Tenant Defaults. If Tenant breaches or fails to perform any of the covenants or provisions of this Lease, Landlord may but shall not be required to, cure Tenant's breach. Any sum expended by Landlord, with the then maximum legal rate of interest, shall be reimbursed by Tenant to Landlord with the next due rent payment under this Lease.

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- 10.7 Cumulative Remedies. Remedies granted to Landlord in this Article shall not be exclusive but shall be cumulative and in addition to all remedies now or hereafter allowed by law or provided in this Lease.
- 10.8 Waiver of Breach. The waiver by Landlord of any breach by Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant.

ARTICLE 11. MISCELLANEOUS

- 11.1 Notices. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to either party to this Lease by the other party to this Lease shall be in writing and shall be deemed duly served and given when personally delivered to the party to whom they are directed, or in lieu of personal service, when deposited in the United States mail, first-class postage prepaid, addressed as follows:

If to Tenant/County: San Benito County Health and Human Services
Attn: Tracey Belton, Director
1111 San Felipe Road, Suite 206
Hollister, CA 95023

If to Landlord/SBHCD: San Benito Health Care District
Attn: Office of the Chief Executive Officer
911 Sunset Drive
Hollister, California 95023

Either party may change its address for the purpose of this section by giving written notice of that change to the other party in the manner provided in this section.

- 11.2 Binding on Heirs and Successors. This Lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of Landlord and Tenant, but nothing in this section shall be construed as consent by Landlord to any assignment of this Lease or any interest therein by Tenant except as provided in Section 10.1 of this Lease.
- 11.3 Governing Law/Venue. This Lease shall be construed in accordance with the laws of the State of California, and jurisdiction and/or venue of any action involving the validity, interpretation or enforcement of this Lease or any of its terms, provisions or obligations or claiming breach thereof, shall exist exclusively in a court or government agency located in San Benito County, California.
- 11.4 Partial Invalidity. If any provision of this Lease is held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this Lease shall remain in full force and effect unimpaired by the holding.
- 11.5 Attorneys' Fees and Costs. If any litigation or other method of dispute resolution is commenced between the parties to this Lease concerning the Premises, this Lease, or the rights and duties of either in relation to the Premises or to this Lease, the prevailing party shall be entitled to, in addition to any other relief that may be granted, a reasonable sum as and for its attorneys' fees, costs and expenses that are determined by the court or arbitrator or mediator.
- 11.6 Force Majeure/Unavoidable Delays. If the performance of any act required by this Lease to be performed by either Landlord or Tenant is prevented or delayed by reason of an act of nature, strike, lockout, labor troubles, inability to secure materials, restrictive governmental laws or regulations, or any other cause except financial inability that is not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused. However, nothing contained in this section shall excuse the prompt payment of rent by Tenant as required by this Lease or the performance of any act rendered difficult solely because of the financial condition of the party required to perform the act.
- 11.7 Entire Agreement/Modification. This Lease contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, and all other communications between the parties relating to such subject matter. This Lease may not be amended or modified except by written agreement signed by both parties.

The parties hereby execute this Commercial Lease Agreement to be effective as of the Effective Date first written above.

LANDLORD/SBHCD

San Benito Health Care District
A Local Health Care District

By: _____
Steven M. Hannah, Chief Executive Officer

Date

TENANT/COUNTY

County of San Benito acting through the San Benito County
Health and Human Services Agency

By: _____
Tracey Belton, Director, Health and Human Services Agency

Date

By:  _____
San Benito County Counsel

8-12-2021
Date

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Reviewed:

Revised:

Page 1 of 2

SUBJECT: District Board Approval

Purpose: To provide criteria and guidelines for the San Benito Health Care District (District) Board Members for when Board approval is required, in addition to approval by the CEO, COO, or CFO of the organization, for contracts with entities needed to operate the District. The policy covers clinical and non-clinical service agreements including direct patient care and support service agreements.

A. Contracts

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

For all agreements and leases listed under this Section A Contracts, only those agreements that have a term of greater than one (1) year and a cost in excess of \$100,000.00 annually are required to be presented to the Finance Committee and recommended to the District Board for approval. The CEO, COO, and CFO are authorized to approve agreements not meeting the criteria above.

B. Capital Expenditures

1. Budgeted capital expenditures that are included in the annual Capital Budget presented to the District Board with the annual Operational Budget for approval will be considered approved throughout the fiscal year. The CEO, COO, and CFO will be authorized to execute the expenditures when the timing is deemed appropriate and the cost is within fifteen (15%) in excess of the approved budgeted cost.
2. Non-budgeted capital expenditures will be brought to the Finance Committee and District Board for approval if the cost exceeds \$100,000.00. This includes equipment that is required for new services and functions, to replace obsolete units, and to add additional units.

C. Physician Agreements

1. Group Contracts include physician and professional medical groups that provide medical coverage for the Emergency Department, Hospitalists program, and Pediatric on-call for the OB department.
2. Individual Agreements include physicians contracted as primary care, surgeons, orthopedist, and the various specialists who are based in the District's clinics and have privileges to perform services in the hospital.

3. Extension of agreements without any increases in the compensation or a decrease in the compensation may be approved by the CEO, COO or CFO with only notification to the District Board. The extension should not exceed one (1) year.
4. New agreements without any financial compensation or impact to the facility may be approved by the CEO, COO, or CFO with only notification to the District Board. This type of agreement would include a physician having privileges to provide medical services to the Skilled Nursing facility residents.
5. Office Leases refers to the agreements where the District is the landlord and the physician is the tenant. A fair market assessment for comparable rental units in the area will be completed prior to the agreement being presented to the District Board for approval.

Prior to being presented to the Finance Committee for recommendation, all physician agreements will comply with the [Fair Market Value Policy](#) and [Physician Services Contract Policy and Procedure](#) policies included in the Administrative Policy Manual.



SUBJECT: FAIR MARKET VALUE POLICY

PURPOSE: This Policy provides direction to San Benito Health Care District to ensure that the compensation that it provides to physicians who may be the source of referrals is at fair market value and is commercially reasonable, as required by the Federal Stark and anti-kickback statutes and related California law. As such, it is part of the broader SBHCD Physician Services Contract Policies and Procedure setting forth the process for entering into agreements with physicians.

EQUIPMENT: N/A

PROCEDURE: See Section V.

I. POLICY STATEMENT:

- A. SBHCD will compensate any physician who is a potential referral source for the physician's services at fair market value and will ensure that the arrangement is commercially reasonable.

II. DEFINITIONS:

- A. FMV – Fair Market Value, as defined in Section III, B below.
- B. Commercially Reasonable means that the particular arrangement furthers a legitimate business purpose of the parties to the arrangement and is sensible, considering the characteristics of the parties, including their size, type, scope, and specialty. An arrangement may be commercially reasonable even if it does not result in profit for one or more of the parties.

III. PROCEDURE:

- A. Prior to entering into any transaction with a physician who may be a potential referral source, SBHCD will determine that the contract compensation and overall compensation (including cash compensation and benefits of any kind) are at fair market value and entering into the contract is commercially reasonable. Documentation of this determination will be prepared and maintained with the contract.

B. Fair Market Value Analysis

- 1. Fair Market Value or "FMV" means the value in an arm's-length transaction as the result of bona fide bargaining between well-informed parties who are not otherwise in a position to generate business for one another. Contract FMV addresses the position and circumstances of the contemplated agreement. Overall FMV takes into account all sources of compensation to the physician from SBHCD.
- 2. Determining FMV. The determination will be made that the compensation provided in each physician agreement, as well as overall compensation, is FMV by either (1) making an internal determination to that effect based on benchmark data obtained from reliable third-party sources (e.g., MGMA, AMGA, MD Ranger, or Sullivan and Cotter) or (2) obtaining a formal FMV opinion from an outside consultant who specializes in the area. Specifically, the following approach will be used:

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- a) Benchmark data from nationally recognized surveys (e.g., MGMA, AMGA, MD Ranger, or Sullivan and Cotter) will be used to determine the range of rates for the specialty or service in the appropriate geographical area. The target rate for the particular physician agreement is to not exceed the 75th percentile. Where the hourly rate falls within that range, an internal FMV report (which will include information from the applicable benchmark source) will be prepared setting forth the relevant data and summarizing its analysis.
 - b) For agreements that contemplate contract or overall compensation above the 75th percentile or that involve a complex mix of services (e.g., administrative, professional, and on-call) for which no reliable data is available, an external FMV opinion will be obtained.
3. Further Factors. The approach may need to be varied on the basis of the kind of physician agreement involved:
- a) Administrative services – most agreements for medical director and other administrative services (e.g., committee service, leadership services) can be assessed on the basis of the approach set forth above. However, in some cases special factors may need to be considered, such as the degree to which the services require the physician to forego opportunities in private practice, such as when a physician devotes a substantial part of his or her practice to administrative duties.
 - b) Professional services – These agreements will require a case-by-case review, using an internal FMV report or an external FMV opinion in accordance with Section B.2 above. The Medicare compensation rates can be used as benchmarks for certain professional services, as appropriate.
 - c) On-call coverage – Agreements for on-call coverage may require a more in-depth evaluation of the data, since a number of factors will play a role, such as the number of specialists available, the reimbursement mix, whether the physician is required to be on-site during the on-call period, and, if the physician is off-site, the frequency of being called and the physician's obligations when called (i.e., the likelihood of having to come into the hospital after being called and the time within which the physician must arrive).
 - d) Hospital-based physician agreements – These agreements typically involve a mix of administrative and professional services, as well as on-call services. Given their complexity, an external FMV opinion may be most appropriate.
 - e) Recruitment – Physician recruitment arrangements (i.e., relocation assistance, signing bonus, incentive) must be Stark compliant and commercially reasonable, but are not specifically subject to an FMV analysis under Stark or the anti-kickback statute. Nonetheless, available data will be used in determining reasonable and appropriate recruitment terms with reference to information that it obtains about comparable arrangements in the relevant geographical area.
 - f) Other agreements – FMV issues surrounding other agreements (e.g., agreements providing reimbursement for uncompensated care) will be dealt with on a case-by-case basis, using benchmark data as available to provide an internal FMV report or referring the matter for an external FMV opinion.
4. Special Considerations. In determining and documenting FMV, the following considerations will be applied:



- a) Use of Benchmark Data. Comparable independent industry data that clearly supports the proposed compensation will be demonstrated by using the most appropriate source(s) of survey data (e.g., MGMA, AMGA, MD Ranger, or Sullivan and Cotter). Benchmark data includes information about transactions comparable in character, nature, and value to the one under consideration. In some cases, multiple comparable benchmark data are available and should be used (e.g., emergency on-call rates). Where this is not the case, a single source of reliable, comparable data may be used.
 - b) Selection of Geographical Area. Generally, data from the smallest geographical area that provides meaningful information for purposes of the transaction will be chosen.
 - c) Consideration of Specific Facts and Circumstances. The FMV documentation will provide complete details of the contemplated compensation as well as any assumptions made that support the analysis, and a comparison to industry benchmark data.
 - d) Calculation. In calculating FMV, a determination will be made as to how to translate an hourly rate into other compensation measures, such as annual compensation. In that case, the hourly rate should be multiplied by a number of annual hours for an FTE. In no case will the hourly rate exceed the amount calculated as the maximum percentile compensation level in a nationally recognized physician compensation survey unless an outside FMV opinion to support the proposed compensation is obtained.
5. Documentation. Documentation substantiating the FMV analysis will be maintained. Where SBHCD has done the analysis on its own on the basis of general data available, an internal FMV report setting forth the relevant data and summarizing its analysis will be prepared. The report will specify the data source(s) used to determine the valuation and will explain the choice of the compensation rate in terms of the permissible compensation range and the factors applicable to the particular transaction, as applicable. Where SBHCD has obtained an FMV opinion from an outside consultant, that opinion will be provided as substantiation of FMV. The documentation will be maintained in the physician contract tracking database during the term of the agreement and for at least five (5) years following its expiration.
 6. Timing. FMV analysis will be completed prior to entering into the agreement with the physician, and prior to any change in compensation.
 7. Term. Internal FMV calculation will be performed prior to entering into a new contract with a physician and when a change in compensation is contemplated, but in any event at least once every three (3) years. Obtaining an external report will be performed in accordance with Section B.2. An FMV report by an external consultant will be considered to be valid for the time period specified in the report, or if no time period is specified, for a period of no longer than three (3) years.
- C. Commercial Reasonableness. In addition to the FMV assessment, each proposed arrangement must be determined to be commercially reasonable.
1. Commercially Reasonable. An arrangement is "commercially reasonable" if it would make commercial sense if entered into by an entity of similar type and size and with a physician of similar scope and specialty, even if there were no potential business referrals between the parties.
 2. Necessary Services. To be commercially reasonable, the services covered by a physician agreement must be necessary for the operations of SBHCD and must be for the benefit of an SBHCD program or service.

Documentation of commercial reasonableness shall be included in each agreement. Regulatory and/or accreditation support, industry standards, and benchmark data are generally available for comparative services, compensation, and hours of service and shall be maintained with the contract file. In the absence of regulatory, accreditation, industry, or benchmark data, an internal statement of commercial reasonableness shall be completed. In the event arrangements for physician administrative services in excess of the benchmark supported compensation rate or hours of services is contemplated, supporting documentation must be included. At the time of agreement renewal, SBHCD shall reassess its on-going need for the services and the appropriateness of the physician's duties, time commitments, reporting, and compensation.

- D. **Overlapping/Multiple Service Contracts.** Confirmation will be made that no other party is being compensated for providing the same services. Any multiple medical directorships or other administrative service contracts for the same department or service line must be supported with written justification, including clear detail about the duties and responsibilities required for each position.

IV. **EDUCATION/TRAINING:**

- A. Education and/or training is provided as needed.

V. **REFERENCES:**

- A. 42 U.S.C. § 1395nn and 42 C.F.R. §§ 411.350-389 (Federal Stark)
- B. 42 U.S.C. §§ 1302a-7b and 42 C.F.R. § 1001.952 (Federal Anti-Kickback)

Approval	Date
Patient Care Advisory Group	
Medical Executive Committee	
Board Approval	



SUBJECT: PHYSICIAN SERVICES CONTRACT POLICY AND PROCEDURE

PURPOSE: The purpose of this Physician Services Contract Policy is to establish guidelines for the orderly processing of agreements between Hazel Hawkins Memorial Hospital ("HHMH" or "District") and physicians, physician groups, other health care practitioners, or any persons or entities that make, receive, or influence referrals of patients or services to or from HHMH ("Physicians"). This policy is intended to facilitate compliance with Stark and Anti-Kickback regulations.

The general provisions of this policy and procedure apply to the various types of agreements between HHMH and Physicians, including but not limited to, professional, personal or consulting services, recruitment, medical directorships, leases for office space, equipment, or services ("Physician Agreements").

POLICY:

- A. General. It is the policy of HHMH that all Physician Agreements shall comply with applicable laws and regulations, including but not limited to the following: (i) federal Stark Law, (ii) federal and state anti-kickback statutes, (iii) Title 22 California Code of Regulations, (iv) Centers for Medicare & Medicaid Services (CMS Requirements), (v) Internal Revenue Code and Regulations (IRS Regulations), and (vi) the standards of The Joint Commission (TJC Standards). Each Physician Agreement will comply with the HHMH policies and procedures set forth below and all other relevant HHMH policies, such as the Board of Directors' Conflict of Interest Code and Fair Market Value policies.
- B. Board Direction. The HHMH Board of Directors reviews and approves policies and procedures of the District pursuant to which HHMH Executive Leadership manages, executes, administers and evaluates contracts to ensure a contractor for services furnishes service in a manner that permits HHMH to comply with all applicable and federal and state laws and regulations, conditions of participation, and other standards for contracted services.
- C. Provider Services Department Collaboration. All Physician Agreements will be prepared, reviewed, approved, and administered (where applicable) in collaboration with the HHMH Provider Services Department. Negotiation, support, and management of individual Physician Agreements can be completed by the individual responsible department.
- D. Chief Executive Officer Oversight. All Physician Agreements will be under the oversight, direction, and management of the Chief Executive Officer (CEO) of the District. The CEO will collaborate with the Chief Financial Officer (CFO) or designee on all equipment and real estate related agreements involving Physicians.
- E. Legal Services. All newly created Physician Agreements will be reviewed by District legal counsel in most cases. District legal counsel will collaborate with the CEO and contracting staff to draft and review template Physician Agreements. Access to District legal counsel for the purpose of drafting and reviewing Physician Agreements shall be at the discretion and direction of the CEO.
- F. Document Management. The current electronic contract database will serve as repository for Physician Agreements and related documents. Original Physician Agreements will be maintained on file in the Provider Services Department, under the direction of the CEO.
- G. Physician Qualification. HHMH shall not enter into any Physician Agreement with a Physician who has been debarred, sanctioned, or excluded from practice by any governmental agency or physician association, or who has been excluded from participation in a federal or state government program.

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- H. Fair Market Value; Commercial Reasonableness. In accordance with HMMH FAIR MARKET VALUE POLICY, the arrangements with Physicians under Physician Agreements will be at fair market value and will be commercially reasonable.
- I. Written Agreement. Physician Agreements must be in writing, signed by all parties, and dated before the items or services are provided or payment is made or received. In addition, the following requirements apply.
1. No Retroactive Agreements. No Physician Agreement may be executed with a retroactive effective date, unless approved by District legal counsel. No Physician Agreement may be "backdated" to misrepresent the date it was executed. A Physician Agreement may be executed by the parties within thirty (30) days of the effective date stated in the Physician Agreement if there is documentation that the physician received the Physician Agreement on or before the effective date stated in the Physician Agreement (e.g., by way of email communication).
 2. No Restrictions on Practice. The Physician Agreement shall not restrict the Physician from establishing medical staff privileges or otherwise limit Physician's access to any other health care facility.
 3. No Required Referrals. The Physician Agreement shall not in any way condition the agreement or any payments under the agreement on referrals to HMMH or any affiliate.
 4. Detailed Description of Services. The Physician Agreement will describe the scope of services provided. If relevant, the Physician Agreement must specify the number of hours to be worked, stating the minimum number of hours for a Physician or providing a range or a maximum number of hours for an independent contractor.
 5. Term, Termination, and Renewal.
 - a. Minimum One-Year Term. The Physician Agreement must be for a term of at least one (1) year and may not be longer than three (3) years, unless approved by the CEO after consultation with District legal counsel.
 - b. Termination without Cause. The normal term of the Physician Agreement is one (1) or two (2) years "Initial Term." When a physician extends beyond the Initial Term, HMMH shall retain the ability to terminate the agreement without cause and without penalty on written notice of no longer than sixty (60) days at any time after the Initial Term. HMMH may deviate from this policy only with the approval of the CEO after consultation with District legal counsel.
 - c. Termination within First Year. If the Physician Agreement is terminated for any reason within the first (1st) year, HMMH may not enter into another arrangement with the same Physician for the same or similar services prior to the end of the initial one-year period on different compensation terms.
 - d. Amendment within First Year. If the parties desire to amend the Physician Agreement within the first (1st) year of the effective date of the Physician Agreement, District legal counsel should be consulted to ensure compliance.
 - e. Renewal. Consistent with the terms of the Physician Agreement and this Policy, renewal of a Physician Agreement may be by virtue of an automatic renewal provision, or by written and signed mutual agreement of the parties.
- J. Contract and Invoice Approval. The Terms and Conditions process will be followed for final contract and invoice approval.
- K. Payment to Correct Party. HMMH will ensure that payments are made to the correct party, using the correct taxpayer identification number. When Physician Agreements are entered into with a corporate or partnership entity, payments must be made to that entity, and not to an individual Physician.

PROCEDURE:

A. The following procedures align to the Board of Director's Contract Management Policy to establish a comprehensive process to: (i) provide appropriate leadership and reporting oversight of the contract process, (ii) provide leadership expectations in the contract management process, and (iii) provide guidelines for all aspects of the Contract Management Cycle. The contract management Cycle includes the following key Phases.

1. Identification Phase
2. Research Phase
3. Contract Development Phase
4. Approval & Signature Phase
5. Implementation Phase
6. Invoicing/Payment Phase
7. Oversight Phase

B. This subsection summarizes the key procedures included within the Physician Services Contract Process regarding each of the Contract Cycle Phases. Completion of these phases will be documented with the Physician Contract Review/Worksheet required as part of the approval process (Attachment A). The exceptions to the below process are annotated in paragraph C of this section. The Contract Cycle Phases and procedures are:

1. Identification Phase. Identification of the need for a Physician Agreement and coordination of initiation of any Physician Agreement shall be under the direction of the CEO. In the case of a contemplated Physician Agreement with a Physician not currently on the Medical Staff, the Medical Staff Services Department shall conduct a sanctions/exclusion assessment. The Medical Staff Services Department will advise the CEO or designee of any adverse findings.
2. Research Phase. The CEO oversees determination of type of compensation agreement, which may include:
 1. Physician Professional Services Agreement (PSA)
 2. Medical Director Agreements
 3. Committee Participation Agreements
 4. Hospital Call Agreements
 5. Training/Education Agreements
 6. Recruitment Agreements
 7. District Clinic Agreements
 8. Lease Agreements
 9. Medical Staff Leadership Agreements

If there is not a template to support the specific Physician Agreement, the CEO or designee will consult with the Provider Services Department and District Counsel.

Ensure the contract compensation is at fair market value and is commercially reasonable. Refer to the FAIR MARKET VALUE POLICY ("FMV").

Examine all other existing financial arrangements between the Physician and HHMH and evaluate the proposed arrangement to ensure services are not duplicated, Physician's workload is reasonable, and overall compensation is within fair market value.

3. Contract Development Phase. The CEO designee will collaborate with the Provider Services Department for all Physician Agreements. The Provider Services Department initiates a Physician Contract Review Worksheet and collects applicable supporting documents to ensure all process requirements are met before the Physician Agreement is released for signature. The Provider Services Department will facilitate coordination with District counsel to support successful Physician Agreement development with stakeholders.

4. Approval & Signature Phase. Approval authority is defined in the Terms and Conditions Worksheet. Once final, the CEO or designee will coordinate execution of the Physician Agreement by all parties, provide the Physician with a copy of the fully executed Physician Agreement, file the original in the Provider Services Department, and upload the fully executed Physician Agreement and applicable supporting documents to the electronic contract database. Only trained staff shall have access to load such contracts.
5. Implementation Phase. The responsible HHMH leader will communicate and initiate any required processes to ensure successful implementation of the Physician Agreement, such as education, collaboration with other departments, or oversight control.
6. Oversight Phase
 - a. The Provider Services Department will provide oversight of the electronic contract database, establish reporting methodologies and collaborate with contract owners and executive leadership to maintain compliance.
 - b. The Audit and Compliance Department will collaborate with the Corporate Compliance and Audit Committee to establish appropriate internal controls related to Physician Contracting.
 - c. Contract owners will provide the Provider Services Department at least sixty (60) days' written notice of the planned commencement or renewal of any Physician Agreement.
 - d. Contracts involving clinical services will be integrated into the organization's Quality Assessment and Performance Improvement (QAPI) Program by the contract owner, as appropriate. The contract owner is responsible for consulting with the Quality Department to address this component.
 - e. In accordance with the hospital leadership and medical staff responsibilities to evaluate and monitor contracted services against established performance expectations as well as pre-defined, established performance metrics that reflect basic principles of risk reduction, safety, staff competence and performance improvement, the contract owner will assist as appropriate to enable such evaluation and monitoring.
 - f. When contractual agreements are renegotiated or terminated, the hospital maintains the continuity of patient care.

C. Procedure Exceptions. Some Physician Agreements are researched, negotiated, approved and implemented in aggregate. Examples are Hospital Call Agreements and Education/Special committee Participation Agreements.

1. The Physician Agreement and contract FMV are reviewed and approved by the procedure noted above. The Template is used to create all Hospital Call Agreements for the term identified in the physician Agreement.
2. For new Physicians being added to the Hospital On-Call Panel after the initial implementation of Hospital Call Agreements, the effective date is modified to the date in which the Physician is being added to the particular panel. The term of the contract cannot be for less than one (1) year.
3. A single Physician Contract Review Worksheet may be completed with the master template for use as support for all physician Agreements. As Physician Agreements are signed during the approval process, the single completed Worksheet and supporting documentation are acceptable.

EDUCATION/TRAINING: Education and/or training is provided as needed.

DOCUMENTATION: All Contract activities will be documented and maintained according to HHMH RECORDS RETENTION POLICY and applicable local department policies.

References

- A. Federal Anti-kick Statute 42 U.S.C. _ § 1320a-7a(b)
- B. Federal Food, Drug and Cosmetic Act, 21 U.S.C. 335(a),(b)(1), and (b)(2)
- C. Health Information Technology for Economic and Clinical Health (HITECH) Act 2009
- D. Internal Revenue Code 26 U.S.C. § 162, §4958
- E. Physician Self-Referral Law ("Stark Law") 42 U.S.C. §135NN; §411.350-389
- F. Terrorism Sanctions Regulations 31 U.S.C., Part 595
- G. Terrorism List Government Sanctions Regulations 31 U.S.C. Part 596
- H. The Age Discrimination in Employment Act 1975 29 U.S.C. §621; §6101
- I. The Americans with Disability Act 1990, 42 U.S.C. §12101
- J. The Joint Commission (2014). Hospital Accreditation Standards.
- K. Title 45- Public Welfare, §160.103, §164.

Approval	Date
Patient Care Advisory Group	
Medical Executive Committee	
Board Approval	



Contract Review Worksheet – Bunry Pin, D.O.

Agreement Type: New X Amendment _____ Addendum _____

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

Contracting Entity Name: Bunry Pin, D.O.

Executive Summary: Bunry Pin, D.O. will complete a 5-year general surgery residency in July 2022. He grew up in Hollister, graduated San Benito High School, and is excited to be returning to his hometown to provide care. His parents live in Hollister and own a local business. Dr. Pin attended medical school at *Edward Via College of Osteopathic Medicine* in Blacksburg, VA and is completing his residency program at Samaritan Health Services in Corvallis, OR.

Services Provided: Dr. Pin will provide full-time general surgery services in our rural health and specialty clinics, and share in emergency general surgery call coverage.

Department	Cost Center	Person Responsible for Oversight
RHC & MSC	01.7180, 01.7077	1: CEO 2: Dir, Provider Svcs & Clinic Operations

Agreement Terms:

Proposed Effective Date: 9/1/22 Contract Term: 36 months Expiration Date 8/31/25 Auto-renew: Yes

Financial Terms:

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

Contract Rate: Base compensation for years 1 & 2 will be set at 75th MGMA \$520,000, plus eligibility for quality metrics and productivity incentives. The base was set at this level to allow for student loan repayment. Year 3 base compensation will be set at the median MGMA rate (currently \$424,759), plus quality metrics and productivity incentives. It is anticipated that year 3 total compensation will similar to years 1 & 2.

Contract Term	FMV %ile	FTE	Base Monthly Cost	Expected Annual Base & Incentive Cost	Expected Total Base & Incentive Term Cost
3 years	75 th	1.0	\$45,500	\$546,000	\$1,638,000

Other Compensation Agreements with Contracting Entity (List All)

X Specify: Recruitment Agreement

Required Assessment/Attachments (required prior to approval):

done Drafted or template n/a Other Associated Contracts
 done Contract FMV n/a Supplemental doc if FMV >75th %ile
 done Overall FMV done Commercial Reasonableness Documented
 In process Certificate of Liability Insurance n/a Business Associate Agreement
 n/a Sanctions Screening/Clearance n/a Supplemental checklist (if w/in 1 yr of orig & \$ change)

77.



Hazel Hawkins
MEMORIAL HOSPITAL

Contract Review Worksheet – Bunry Pin, D.O.

	Name/Activity	Date/Note
Requested by/Responsible:	Steven Hannah, CEO	8/9/2021

Review following signatures/approval:

Legal Counsel:	8/6/2021
Finance Committee:	
Board of Directors (if required: insert N/A or Board approval date at right):	

Review following signatures:

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



Terms and Conditions Worksheet – Ryan Gerry, M.D.

Agreement Type: New **Amendment** _____ **Addendum** _____

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

Contracting Entity Name: Ryan Gerry, M.D.

Executive Summary: Ryan Gerry, M.D. is a board-certified general surgeon who has been practicing since 2012. He attended Harvard Medical School and completed general surgery residency at Brigham and Women’s Hospital in Boston. The District wishes to recruit Dr. Gerry to HHMH with compensation model based on Fair Market Value and work RVU production. The Professional Services Agreement is offered at the MGMA 85th %ile in consultation with the District’s legal counsel.

Services Provided: Dr. Gerry will provide full-time general surgery patient care services in the Sunset and Multi-Specialty clinics, hospital, and emergency call coverage on a 1:3 rotation.

Department(s)	Cost Center(s)	Person(s) Responsible for Oversight
RHC, MSC, ED	01.7180, 01.7189, 01.7077	1: CEO 2: Dir, Provider Svcs & Clinic Operations

Agreement Terms:

Proposed Effective Date: 11/1/21 Contract Term: 36 months Expiration Date 10/31/24 Auto-renew: Yes
 Term clause: 60-day notice

Financial Terms:

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

Contract Rate: Recruitment incentive for reimbursement of relocation expenses up to the amount of \$30,000 for customary and reasonable moving and other related costs incurred by Physician in relocating from Colorado to California. The incentive will be forgiven over 2 years from Physician’s Start Date. Standard PSA terms conditions apply.

Contract Term	FMV %ile	FTE	Base Monthly Cost	Expected Annual Base Cost	Expected Total Base Term Cost
3 years	85 th	1.0	\$50,000 (Years 1 & 2) \$41,200 (Year 3)	\$600,000 (Years 1 & 2) \$494,000 (Year 3)	\$1,694,000

Required Assessment/Attachments (required prior to approval):

done Drafted or template n/a Other Associated Contracts
 done Contract FMV done Supplemental doc if FMV >75th %ile
 done Overall FMV done Commercial Reasonableness Documented
 TBD Certificate of Liability Insurance n/a Business Associate Agreement
 n/a Sanctions Screening/Clearance n/a Supplemental checklist (if w/in 1 yr of orig & \$ change)

79.



Hazel Hawkins
MEMORIAL HOSPITAL

Terms and Conditions Worksheet – Ryan Gerry, M.D.

	Name/Activity	Date/Note
Requested by/Responsible:	Steven Hannah, CEO	7/22/21

Review following signatures/approval:

Legal Counsel:	7/21/21
Finance Committee:	8/19/21
Board of Directors (if required: insert N/A or Board approval date at right):	

Review following signatures:

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



MEMORANDUM

To: SBHCD Board of Directors

From: Steven M. Hannah, MHA
Chief Executive Officer

Date: August 5, 2021

Re: **Recommendation for Board Approval of Findings Supporting Recruitment of a General Surgeon and Approval of Recruitment Incentive for Ryan Gerry, MD**

Executive Summary

Hospital Administration has identified the recruitment of a physician specializing in general surgery as a recruiting priority for the District's service area. Recruiting a general 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. Ryan Gerry, received his Doctor of Medicine degree from Harvard Medical School and completed a general surgery residency at Brigham and Women's Hospital in Boston.

The proposed physician recruitment requires the execution of a Physician Recruitment Agreement between Dr. Ryan Gerry and SBHCD. The Recruitment Agreement provides for reimbursement of relocation expenses in an amount not to exceed thirty thousand dollars (\$30,000.00). 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 a General Surgeon to join the Hospital's Medical Staff:**
 - **The recruitment of a general 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 thirty thousand dollars (\$30,000.00) to be set forth in a Recruitment Agreement between SBHCD and Ryan Gerry, MD.**

Attachments

Curriculum Vitae – Ryan Gerry, MD.

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

**Thursday, August 19, 2021
4:00 P.M. – Zoom Meeting**

MINUTES

PRESENT: Jeri Hernandez, Board President
Bill Johnson, Board Secretary
Steven Hannah, Chief Executive Officer
Mark Robinson, Chief Financial Officer
Jordan Wright, VP/Chief Operating Officer
Richard Tawney, Plant Operations Director
Laura Garcia, Executive Assistant
Tina Pulido, Plant Operations Coordinator

I. CALL TO ORDER:

The meeting of the District's Facilities & Service Development Committee was called to order by 4:00p.m. via Zoom.

II. REVIEW OF MINUTES:

The minutes of the District's Facilities & Service Development Committee of July 15, 2021, were reviewed.

III. MASTER PLAN:

Steve Hannah reported that they had a work session today with Adams in order to try and shorten their presentation that will be presented to the Steering Committee. They currently have three options that they will be presenting.

IV. UPDATE ON CURRENT PROJECTS:

○ Main Hospital Roofing Repair:

Richard Tawney reported that we are going out to bid September/October. We will be having a walk through with Tremco on 8/23/21. To date, four roof repairs have been completed and two more will be completed next week.

○ CAT Scanner:

Richard Tawney reported that he will be meeting with the Architect and Chantell McLaren the Radiology Director on 8/24 to discuss moving the ED CT to the Radiology Department. The 64 slice will remain in service, the 128 slice will be moved to the office across from the 64 slice.

○ Main Entry Canopy Demolition:

Richard Tawney reported that the OSHPD building permit has been received. The safety fence will be installed on 8/23. Everyone will be able to enter and exit the

main entrance. The demo of lights and fire sprinklers will begin on 8/24 and the canopy demo is scheduled to start on 8/25.

- Meditation Garden Renovation:
Richard Tawney reported that this is completed.
- Southside SNF Refresh:
Richard Tawney reported that he is getting flooring bids.

V. CURRENT PROJECTS ON HOLD:

- SPC-4d:
Richard Tawney reported that this is on hold.
- Meditation Garden “Open Area”:
Richard Tawney reported that the benches, bench shelter and fence have been omitted from the project. Engineering will be installing three new benches.
- Northside Generator:
Richard Tawney reported that this project has been withdrawn due to inactivity by OSHPD in December 2020.
- Northside Chiller:
Richard Tawney reported that this project has been withdrawn due to inactivity by OSHPD in December 2020.
- Northside Boiler:
Richard Tawney reported that this project has been withdrawn due to inactivity by OSHPD in December 2020.
- ER 51-50 Room Refresh:
Richard Tawney reported that due to the ED being busy this has been rescheduled for September.

VI. OTHER PROJECTS:

- Old Allergy Clinic Office:
Richard Tawney reported that the County will be leasing the old allergy clinic. We will be doing some minor ADA required changes before they can move in.
- Medical Surgical Clean Utility Room:
Richard Tawney reported that the Med. Surg. employee breakroom is being converted into a clean utility room. This change was required per our last Joint Commission survey. Med. Surg. room 23 has been turned into the employee breakroom.

VII. ADJOURNMENT:

There being no further business, the meeting was adjourned at 4:19p.m.

**RESOLUTION NO. 2021-07 OF SAN BENITO HEALTH CARE DISTRICT
AUTHORIZING EXECUTION AND DELIVERY OF A LOAN AND SECURITY
AGREEMENT, PROMISSORY NOTE, AND CERTAIN ACTIONS IN CONNECTION WITH
THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
HELP II LOAN PROGRAM**

WHEREAS, San Benito Health Care District (“Borrower”) is a Local Health Care District organized and operating pursuant to Division 23 of the California Health and Safety Code, and is the owner and operator of Hazel Hawkins Memorial Hospital, a general acute care facility located in Hollister, California (“Hospital”);

WHEREAS, by Board Resolution No. 2021-03 the Board of Directors of Borrower authorized the submission of an application for a loan to the Healthcare Expansion Loan Program (HELP II);

WHEREAS, Borrower has determined that it is in its best interest to borrow an aggregate amount not to exceed **Two Million Dollars (\$2,000,000.00)** from the California Health Facilities Financing Authority (“Lender”), such loan to be funded with the proceeds of Lender’s HELP II Loan Program; and

WHEREAS, Borrower intends to use the funds for the following project: **Replacement of Hospital’s roof, and may include remodeling Hospital’s radiology suite;**

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Borrower as follows:

Section 1. **Steven M. Hannah, Chief Executive Officer of Borrower, and Mark T. Robinson, Chief Financial Officer of Borrower** (each an “Authorized Officer”) are hereby authorized and directed, for and on behalf of Borrower, to do any and all things and to execute and deliver any and all documents that the Authorized Officer deems necessary or advisable in order to consummate the borrowing of moneys from Lender and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 2. The proposed form of Loan and Security Agreement (“Agreement”) dated as of **September 1, 2021** which contains the terms of the loan is hereby approved. The loan shall be in a principal amount not to exceed Two Million Dollars (**\$2,000,000.00**) and the loan shall bear interest at a rate of two percent (2.0%) per annum until **November 1, 2041** (“Maturity Date”). Each Authorized Officer is hereby authorized and directed, for and on behalf of Borrower, to execute the Agreement in substantially said form that includes the Assignment of Anticipated Ad Valorem Operating Tax Assessment Collections in the event of default, with such changes therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The proposed form of Promissory Note (“Note”) dated as of **September 1, 2021**, as evidence of Borrower’s obligation to repay the loan is hereby approved. Each Authorized Officer is hereby authorized and directed, for and on behalf of Borrower, to execute the Note in substantially said form, with such changes therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of Environmental Compliance Certificate dated as of **September 1, 2021** certifying for the benefit of the Lender to the best knowledge of Borrower with regard to any violations of or claims regarding environmental laws or conditions, is approved. The Authorized Officer is hereby authorized and directed, for and on behalf of Borrower, to execute the Environmental Compliance Certificate in substantially said form, with such changes therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

This Resolution 2021-07 was adopted at a duly noticed Regular Meeting of the SBHCD Board of Directors on August 26, 2021, by the following vote.

AYES:
NOES:
ABSTENTIONS:
ABSENT:

Board Member, San Benito Health Care District

84.

SECRETARY'S CERTIFICATE

I, **Bill Johnson**, Secretary of the **San Benito Health Care District Board of Directors**, hereby certifies that the foregoing is a full, true and correct copy of Resolution 2021-07 duly adopted at a regular meeting of the Board of Directors of San Benito Health Care District duly noticed and held at the regular meeting place thereof on August 26, 2021 of which meeting all of the members of said Board of Directors had due notice and at which the required quorum was present and voting and the required majority approved Resolution 2021-07.

I further certify that I have carefully compared Resolution 2021-07 and the vote by the Directors with the original minutes of said meeting on file and of record; that the attached Resolution 2021-07 is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that Resolution 2021-07 has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

San Benito Health Care District

Bill Johnson, Board Secretary

Date